

LAKEHEAD LOCAL GOVERNMENT REVIEW

# REPORT AND RECOMMENDATIONS

ERIC HARDY  
Special Commissioner  
MARCH 11, 1968



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ERIC HARDY  
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DONALD M. PATERSON  
Research Director



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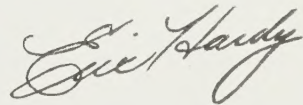


The Honourable W. Darcy McKeough  
Minister of Municipal Affairs  
Province of Ontario  
Queen's Park  
Toronto

Dear Sir:

I have completed my review of local government at the Lakehead in accordance with the instruction set forth by the Honourable J. W. Spooner in his letter of September 28, 1965 and I have the honour herewith to present my report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Eric Hardy".

Commissioner

Toronto, Ontario  
March 11, 1968







## Foreword

The Lakehead Local Government Review has been brought to completion. It is a time for recognition of the help and co-operation coming from all sides that has contributed so much to the pleasure of the undertaking and aided so greatly in furthering its progress.

To begin with, I am grateful for the generous backing accorded the Review by its sponsors, the Ministers of Municipal Affairs, past and present, senior officials of the Department, the heads of the five Lakehead municipalities and other members of their municipal councils. May I select Dr. Lorne R. Cumming, Special Advisor to the Minister, for a particular word of appreciation.

Acknowledgments of assistance with the research program contained in the information report bear repeating.

In collecting the facts used in the preparation of this research report, the work of the Review staff has been supported by the substantial co-operation of provincial, municipal and school officials both at the Lakehead and in Toronto. Extensive information was supplied by the research staff of the Department of Municipal Affairs. The Area Superintendent of the Department of Education and school officials in the twin cities gathered basic school data. The Lakehead Planning Board and the Regional Office of the Department of Municipal Affairs each provided information and helped collect material from others. Local municipal officials extended themselves to supply other requested facts on short notice. To all these people we express our warmest thanks.

The individuals, organizations and departments of government whose help was substantial in this early phase of the Review have continued and extended their good efforts. I thank them very warmly one and all.

The Review's research director, Mr. Donald M. Paterson, has been a source of much strength, reflecting his many abilities. I thank him most sincerely. The production of the Report has also been expedited by my capable secretary, Mrs. McKendrick.

Finally, innumerable people from the Lakehead, or interested in its affairs, have helped to sustain my enthusiasm and enlarge my perspective. Responsibility for the Report's content, however, remains solely my own.

E.H.

March 11, 1968







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PART ONE  
THE STUDY





# Chapter 1

## The Assignment

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### NATURE AND SCOPE OF STUDY

1. The purpose of the Lakehead Local Government Review has been to examine the existing arrangements for local government throughout the greater urban area centred upon the twin cities of Fort William and Port Arthur with the object of determining those changes that seem essential or desirable to provide a framework of government that will permit or indeed facilitate the provision of local government services to meet the foreseeable future needs and desires of the Lakehead community. The Lakehead Review is the fourth such study commissioned by the Minister of Municipal Affairs of Ontario with the consent of the Provincial Cabinet and with the co-operation and financial participation of a group of municipalities situated within the study area. The municipalities that have undertaken to back the Lakehead Local Government Review are the Cities of Fort William and Port Arthur and the Municipalities of Neebing, Paipoonge and Shuniah.

2. Certain of the local government services furnished within the Lakehead area are organized throughout a much larger territory. With the excep-

tion of regional library services, the territorial limits of all such services are contained within the District of Thunder Bay. In the circumstances, the terms of reference for the Review provided specifically for examination of "the relationship of local government within the Lakehead area to local government elsewhere within the District of Thunder Bay".<sup>1</sup>

3. The Commission has thus been led to examine two distinct but closely inter-related problems. The first is the familiar situation of a cluster of municipalities sharing the local government responsibilities within a metropolitan area and lacking adequate means of assuring that all local government requirements will be planned, organized and operated in a manner to fulfil minimum objectives of efficiency, financial equity and public accountability. Local governments, non-profit organizations, individuals and business concerns within the Lakehead area have all been well aware of this problem's existence and, in varying degrees, concerned to overcome it. This local metropolitan problem appears to have motivated the five municipalities in urging upon the

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<sup>1</sup>The terms of reference are reproduced in full as Appendix A.

Province that a local government review be performed without delay.

4. The second is a more recent problem that has been developing in northern Ontario where, in the absence of county government or its equivalent, a number of ad hoc arrangements have developed for the provision of local government services on a wider than local basis. Inconsistencies are evident in the territorial limits for such services. Complexities result from the growing number of distinctive organizational arrangements. As a consequence, the services offered on a wider than local basis have become in some degree remote from local community comprehension and control.

5. The Review disclosed only limited local interest in the reorganization of these wider than local services. On the other hand, the problems seemed real enough to the Review Commission not only within the Thunder Bay District but elsewhere throughout northern Ontario. Thus the Lakehead Review has afforded an opportunity to examine and report upon a subject of concern to all northern Ontario. Indeed, it will be seen that certain of the proposals that emerge would prove far more effective as part of a plan of regional government throughout the north.

6. Although the metropolitan government problem is far from new, the character of metropolitan areas is changing as a consequence of an increasingly explosive growth pattern and the expanding mobility of those who work or reside in a metropolitan area or draw in other ways upon its available amenities. In consequence, the closely drawn boundary of the historic urban settlement is becoming obsolete and a suitable outer boundary for any or all local government purposes becomes steadily more difficult to define.

7. Perhaps the changing face of urban settlement was a factor in the choice of the five Lakehead municipalities to seek an examination of their situation through a local government review rather than to make application to the Ontario Municipal Board for enlargement and consolidation of their municipal territories. The point is of some importance because it can be contended that the traditional kind of boundary adjustment with which the Ontario Municipal Board has long been concerned could have been and may still be the means of obtaining whatever adjustment in the units of local

government serving the metropolitan area was warranted. In this regard, the Board's role in ordering the formation of new towns such as Burlington, Oakville or Mississauga or the dramatic expansion of cities such as Cornwall, Niagara Falls, Sudbury, Sault Ste. Marie or North Bay cannot be viewed as either timid or tradition-bound.

8. Because an application to the Municipal Board for a particular form of change and a request for a local government review represented a genuine choice for the people of the Lakehead, it is useful to set down the differing expectations from the two courses of action.

9. A Municipal Board application puts the onus upon the applicant, probably one or more municipalities, to define objectives that can be realized within the framework of the existing statute law. The Board, in its turn, is expected to resolve the matter that is put before it either by a decision rejecting the application or by ordering the requested change or something sufficiently akin to it to be available to the Board in its discretion. The decision reached by the Board may also involve subsequent financial adjustments, as authorized by statute. Although the Board has the right to launch inquiries of its own for the purpose of clarifying issues that are brought before it, such power is used sparingly, if at all. The onus to produce evidence in support of change rests fully upon the applicant. A Board order or decision can be appealed, in certain circumstances to the higher courts and, in any event, to the Provincial Cabinet. But, subject to these desirable rights of appeal, an application to the Municipal Board is expected to result in the adjudication and settlement of issues.

10. A local government review transfers the prime responsibility for defining and examining alternative courses of action from the local community to the review commission. In prescribing the terms of reference for each review, the Minister of Municipal Affairs has imposed only one procedural condition, namely, that the commission shall receive briefs and hold public hearings. The purpose of this requirement must be plain: to ensure that the local community plays its part in determining the desirable local government structure for the future. Putting it the other way: the commission is not free to form its own opinion as to what is best for the local community without certain and specific



knowledge of the community's own concerns and aspirations. A local government review is expected to result in the enunciation of a proposed course of future action. In all likelihood, changes in the structure for local government will be recommended. Such changes may thereupon be obtainable by application locally or by the Minister to the Ontario Municipal Board or may require new provincial legislation.

11. The most optimistic expectation from a local government review is that it may convince all the local governments within the area, the important citizens' organizations and the provincial government to work for certain defined changes obtainable either by application to the Ontario Municipal Board or by the processing of new provincial legislation. But inasmuch as local indecision or conflict is one common reason for seeking a review, such an outcome is hardly a practical prospect. Following submission to the Minister, previous Review reports have been made available to the sponsoring municipalities and their associated local boards for comment and criticism and all have come in for a share of the latter. For a report to become the immediate rallying point for united action would be a remarkable result and especially so in an area like the Lakehead where, from beginning to end of the Review process, the Commission has been made aware of local community cleavages.

## THE REVIEW PROCESS

12. "Would you tell me, please, which way I ought to go from here?" asked Alice. "That depends a good deal on where you want to get to," said the Cat. This apt quotation from Lewis Carroll's "Alice in Wonderland" which headed one of the submissions to the Review<sup>2</sup> became from the outset one of three Review objectives summarized below.

1. The Review has been concerned to discover the values that are important to the Lakehead community in the provision of local public services. In order to be considered, however, alternatives had also to be tolerable in relation to the wider public interest that the provincial government must serve.
2. The Review has set about to inform itself as to the physical, economic and social condi-

tions under which local government services must be conducted.

3. Against this background, the Review weighed alternative structural and organizational arrangements from the viewpoint of their suitability for the Lakehead and their validity and constructive potential when measured by political science standards.

13. Before describing the work of the Review, a word should be said about staffing. The appointment of the Review Commissioner took effect on September 28, 1965 with the understanding that the assignment would not begin until approximately the end of the calendar year. Arrangements were made meanwhile to draw upon the services of the departmental staff stationed in the regional office in Port Arthur. When the Review began, the five co-sponsoring municipalities comprised the Lakehead Planning Area. At their suggestion, the assistance of the Director and staff of the Lakehead Planning Board was made available to the research program on a continuing basis. At a later stage, the substantial help thus provided was further enlarged by the co-operation of the firm of planning consultants engaged to assist the Lakehead Planning Board in the preparation of an Official Plan. A Research Director for the Review could not be obtained until late January, 1966. Subsequently the Review procured extensive assistance in the compilation of statistical data through the Northwestern Division office of the Department of Education and from the Municipal Organization Section of the Department of Municipal Affairs. As the work progressed, material assistance was obtained from many other provincial personnel. In addition, conversations with officials of the Federal Department of Indian Affairs and Northern Development have increased the Review's appreciation of the means by which local government is made available to the Indian.

14. In December, 1965, the Commissioner visited the Lakehead to call on the heads of the five municipalities co-sponsoring the Review locally, the chairman of the Lakehead Planning Board, the chairmen of the Boards of Education and Separate School Boards serving the twin cities, the heads of all the news media, officials of the Labour Council and the Executive of the Lakehead Chamber of Commerce.

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<sup>2</sup>An individual submission by Louis L. Peltier, Jr.

15. During these initial discussions, the Commissioner's attention was drawn to the inability of educational authorities in the Lakehead to reach agreement for the establishment of an Education Centre designed to serve all bodies concerned with primary and secondary education in both cities and perhaps, in addition, the community's adult education program and the school requirements of the adjacent suburbs. The Province had been prepared to locate its Northwestern Divisional office in the Centre and to consider a capital subsidy, provided the Boards of Education serving both cities were participants. The relationship of this matter to the Review led to an invitation to the Review Commissioner to chair a private meeting of representatives from the four city School Boards together with the Area Superintendent from the Provincial Department of Education. The meeting took place in December, 1965, with the prior knowledge of the then Deputy Minister of Education, with an agenda that had been agreed upon beforehand and with a full attendance of those concerned. Unfortunately, the discussion proved more revealing than productive.

16. By the end of January, 1966, the main lines of the Review undertaking had been planned. Meetings were therefore held with the full councils of all five sponsoring municipalities at which the research program was explained and the timetable outlined for the receipt of submissions and the holding of public hearings.

17. In March, 1966, the Review issued a statement of alternatives for local government in the Lakehead. The publication met two intended objectives. First, it focussed local community attention upon the realistic choices open to the Lakehead for its future government and emphasized the inter-relationship between the Lakehead metropolitan area and the rest of the District of Thunder Bay. Second, it stimulated the community's interest in preparing submissions to the Review and participating in public hearings.

18. The Thunder Bay District Municipal League held its 1966 annual conference towards the end of April. An invitation to the Commissioner to take part in the program afforded an opportunity to indicate the expected significance of the Review to the outer municipalities surrounding the Lakehead metropolitan area and to other municipalities and

settlements throughout the Thunder Bay District. Two addresses by the Commissioner set the stage for a number of informal discussions.

19. Early in May, all those bodies and individuals that had expressed an interest in the Review were furnished with a substantial research report providing information on the Lakehead. Data covered the twin cities, the other designated municipalities participating in the Review, five outer municipalities within the Lakehead metropolitan study area and the remainder of the Thunder Bay District. The timing was intended to permit the use of recognized factual material in submissions to the Review.

20. The public hearings were scheduled for mid-June, 1966. In advance of the hearings, the Commissioner continued to hold private discussions with business and community leaders of the Lakehead. The Research Director pursued the gathering of additional data to supplement the material published in the information report. Both the Research Director and the Commissioner undertook to familiarize themselves with the physical characteristics of the twin cities and their environs. In addition to repeated coverage of the immediate urban area by automobile, trips were taken south-west as far as the United States border, westerly through Paipoonge, Oliver, Conmee, O'Connor and Gillies, northerly into Ware and Gorham and north-easterly through McGregor, McTavish, Sibley, Dorion, Stirling, Lyon, Red Rock and Nipigon. The Mission Reserve area was also visited. Finally the whole metropolitan area in its broadest extent was criss-crossed by aeroplane.

21. Prior to the hearings an evening meeting was held with representatives from the outer municipalities. Councillors attended from Oliver, Conmee and Gillies. A Trustee from Dorion took the Commissioner on an extensive tour of that municipality affording an opportunity to learn something of its problems and prospects.

22. The public hearings opened on Tuesday, June 14th, in the District Court House in Port Arthur and were concluded in the S. H. Blake Memorial Chamber of Fort William's new City Hall on Saturday, June 18th. Five full days were spent in discussing twenty-eight written submissions and four oral presentations. The number included a joint submission of the City of Fort William and



the Fort William Planning Board and a composite submission by the City of Port Arthur, the Port Arthur Board of Education, the Port Arthur Separate School Board and the Board of Park Management. In conjunction with the public hearings, the Commissioner held private discussions with a representative of the Federal Department of Indian Affairs and Northern Development and the Chief of the Mission Reserve Band. This meeting was supplemented by conversations with the Federal Department and with the responsible officials of the Province of Ontario.

23. At the conclusion of the public hearings, copies of all written submissions were placed in three strategic locations in order that the public might have a full opportunity to see what had been said and to provide the Commission with comments or rejoinders. This procedure resulted in further submissions by three organizations and two individuals, each of whom had participated in the public hearings. Finally, the Commission obtained four written submissions that were not discussed at the hearings: one from an outer municipality, one from a metropolitan body and two private submissions from interested individuals. Appendix B provides a detailed list of the submissions.

24. Throughout the fall of 1966, time was spent in further research and in the assimilation of material placed before the Commission. In January, 1967, the Commissioner met again with the heads of the five co-sponsoring municipalities and with a number of leading Lakehead citizens. One purpose of these discussions was to explore the possibility of holding private meetings with the members of the five municipal councils for the purpose of testing likely courses of action and narrowing down local preferences where proposals were open to choice. Private meetings were in fact scheduled but subsequently abandoned because of the lack of full and enthusiastic support for the suggested procedure. The plan was modified, not dropped.

25. The Thunder Bay District Municipal League held its Fiftieth Anniversary Convention during the final three days of March, 1967. The Commissioner was again invited to take part and undertook to speak on district services. Those present were told that the Commissioner viewed as unsatisfactory the existence of so many separate and different ad hoc

arrangements for the provision of local government services on a wider than local basis. The need for the Review to deal with this problem and to make recommendations for some sort of district government was put to the assembled delegates. Despite the opportunity thus afforded, the municipal representatives chose not to react to this indication of part of the Review report's content.

26. In mid-May, the Commissioner and the Research Director met privately with the heads of the five co-sponsoring municipalities for a frank description and appraisal of the major Review findings and of the nature of the recommendations that these seemed to suggest. Taken together, this private meeting of Lakehead representatives and the earlier public consideration of the need for district government more than fulfilled the purposes for which it had been proposed to assemble all members of council of the five co-sponsoring municipalities. Local reactions to the Review proposals were sampled and local opinions were obtained that served to refine and re-affirm the intended tenor of the report.

27. Since the Lakehead Review was commenced, more than sufficient time has elapsed to complete all needed research, to digest and reflect upon the local and district problems of the area and to prepare and publish a suitable report. A prime reason for the length of time involved has been a substantial diversion of the Commissioner's time from the work of the Review to fulfil a prior commitment to the Ontario Committee on Taxation. While the people of the Lakehead have naturally been anxious to obtain the results of the Review, the delay has not proven entirely negative.

28. One of the important elements of the Tax Committee's report was the presentation of a province-wide plan of regional government. The Tax Committee's regional proposals were not intended as a final blueprint for regional government. As the report noted, refined proposals were expected to emerge from the several local government reviews commissioned by the Minister of Municipal Affairs.

29. The regional structure put forward by the Ontario Committee on Taxation does not constitute a strait-jacket that confines the Lakehead recommendations to a predetermined course. Already, it has benefited the Lakehead Local Government

Review in at least two important respects. First, it has indicated how regional government proposals developed for the Lakehead area and the District of Thunder Bay might be fitted into a broader pattern of regional government to serve all of northern Ontario. Second, the Tax Committee's Report supplies both a justification for regional government and a definition of the political science principles to be observed in giving it form and shape.

30. Building upon the regional government proposals developed by the Ontario Committee on Taxation, the Lakehead Review has endeavoured to examine more closely the conditions affecting community development and the essential prerequisites for the satisfactory provision of local government services in the Thunder Bay area. Attention has been focussed upon the established and prospective patterns of settlement in the north where the Laurentian Shield affords great opportunities for the growth of the resource industries while inhibiting any widespread expansion of agriculture.

31. As in southern Ontario, any plan to create new or to enlarge existing units of local government must give full recognition to the effect upon residual areas beyond the units one wishes to create or enlarge. The Ontario Committee on Taxation put forward a plan whereby municipalities beyond the territorial scope of regional governments could obtain regional services by contract. The Lakehead Review has studied the applicability of this proposal to the District of Thunder Bay and has weighed it against other possible alternatives. The Province's apparent willingness to promote quite large territorial units for local government services throughout northern Ontario has been a further factor in the decision of this Review as to the best method of providing regional services within the District of Thunder Bay.

## **FORM OF RECOMMENDATIONS**

32. In the Review process, a prime responsibility of the Commission is to formulate firm recommendations that it is hoped will reduce or eliminate the particular local government problems of the area. This responsibility requires not only the central issues to be examined but other questions

that are of more limited concern, including problems of perhaps marginal interest. A Review Commission must also exercise caution in propounding recommendations because no set of proposals will satisfy all comers. The more extensive and detailed the recommendations, the more room that is provided for differences of opinion among those to whom the report is addressed.

33. When a Review is entrusted to a sole Commissioner, the range of subject matter with which he must become fully conversant in order to formulate helpful recommendations may be expected to put his capabilities to a severe test. In illustration, it is not without reason that two members of the Ontario Municipal Board form a quorum and that when one member conducts a hearing, his report may be adopted as the order of the Board by two other members, one of whom shall be the chairman or a vice-chairman. In this Local Government Review, the equivalent problem has been lessened through consideration in detail of the findings and recommendations by the Research Director. Sole responsibility for the Report in its final form, however, remains that of the Commissioner.

34. Faced with this challenge, a plan has been devised which it is hoped neither shirks responsibility nor presumes a capability beyond the Commissioner's powers. To this end, I shall classify recommendations into three categories: the first will include those that I deem essential to the satisfactory reshaping of local government at the Lakehead and throughout the District of Thunder Bay. When putting such recommendations forward, I shall "strongly urge" the changes that I believe to be necessary. The second will embrace supporting developments that I regard as plainly desirable. In these circumstances, I shall "propose" the changes that I am convinced will prove helpful to the community. The third group will cover possible ways of improving local government that I think merit consideration but on which I do not feel strongly or perhaps on which I am not able to declare myself with certainty. Here I shall merely "suggest" potential changes that in my opinion might be scrutinized. All three classes of recommendations are set out in a uniform identifiable way in the body of the Report and are brought together at the end of the Report in Appendix C.

# Chapter

## 2

### The Metropolitan Findings

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#### INTRODUCTION

1. According to the 1966 Census, there are in Canada nineteen metropolitan areas and twenty-three other major urban areas. The Lakehead is among the latter. Together they range in complexity from Montreal, whose metropolitan area takes in all or part of sixty-six local municipalities and eight counties, to three metropolitan areas, Calgary, Regina and Saskatoon, and three major urban areas, Guelph, Peterborough and Sault Ste. Marie, where a single city embraces the total extent of metropolitan or urban development, as defined for census purposes. In between, are a number of cities, both large and small, that dominate their urban areas and others where one or more core cities are ringed by a cluster of urban and urbanizing municipalities. In some instances, the cluster of municipalities is linked by inter-municipal bodies that have been assigned the responsibility for one or more individual municipal services. In only two cases, Toronto and Winnipeg, has a federated form of metropolitan government been adopted.

2. Canada's metropolitan and major urban areas present a kaleidoscopic picture. From time to time

the pattern changes sharply as a consequence of a new municipal merger or a large annexation that brings all or most of the urban area concerned within a single jurisdiction. Seldom are changes of this sort attained promptly or harmoniously. Meanwhile, metropolitan and major urban areas continue their explosive growth pattern resulting in the continual resurgence of divided jurisdiction as new population pours over the outer boundaries of cities to take root once more within urbanizing fringe municipalities.

3. The shifting pattern of local government units within metropolitan areas is a well recognized phenomenon and the source of recurrent problems. Obstacles are placed in the way of prompt and adequate expansion of particular municipal services. Growing inequalities in rates and taxes develop among property holders in different municipalities. Tensions and conflict appear between those who see the need for change and others who, whatever their reasons, prefer things as they are.

4. In a fast growing province like Ontario, the goal of metropolitan reorganization cannot be to eliminate all structural shortcomings of local



government for the foreseeable future. Our people are neither prepared to stop growth nor to channel very much of it away from the existing metropolitan and major urban areas; and although such measures have some merit, they cannot be viewed as wholly desirable. Our economy thrives upon growth and increasing opportunities for specialization. The largest urban concentrations afford the strongest bases from which the advantages of specialization can be further extended. Thus, the realistic goal of a local government review, the most that can be expected, is to create a framework of stability for a reasonable length of time and perhaps also to improve the prospect for self renewal of the local government organization over time.

5. The Lakehead urban area differs from the majority of metropolitan and major urban areas in being dominated by twin cities. Yet it does not stand alone. Half a dozen other areas are also centred upon two contiguous cities: Halifax and Dartmouth, Kitchener and Waterloo, Ottawa and Hull, Chicoutimi and Jonquière, Sydney and Glace Bay, Trois Rivières and Cap de la Madeleine. In addition the urban overflow from Victoria into the adjacent municipality of Saanich has produced a major suburb whose urban population is now slightly greater than that of the central city. The Fort William-Port Arthur complex has the distinction, however, of twin cities that have for many years continued to be closely matched in population, financial capacity and form of urban development. Moreover, while municipal boundaries have remained little changed for many years, an unusually large proportion of the total urban development is contained within the two central cities.

6. A realistic view of local government in metropolitan and major urban areas must be the premise from which the particular situation in the Lakehead is examined and appraised. The existence of a cluster of independent municipalities sharing responsibility for local government within a developed and densely-populated urban area is known to have detrimental effects upon the provision of local public services. Among the questions to be considered is not *whether* divided jurisdiction produces financial inequities, service deficiencies and some lack of efficiency in the management of local government services but *how serious* such problems are and *what extent of community backing* exists for the changes needed to overcome them.

7. Even the most cursory examination of the Lakehead community makes it plain that the area of continuous urban development overflows from Fort William into Neebing, from Port Arthur into Shuniah and also joins the two cities at several points.

8. Land use intentions, if fulfilled, will merge urban developments in the twin cities along a mutual boundary of over two miles in length. Today, the striking fact is the degree of physical separation that still remains. There is as yet no physical connection between the water, hydro-electric, sanitary sewage or storm drainage systems of the two cities. Only three inter-city traffic routes of any description now exist, one linking Port Arthur and Fort William through Shuniah, although a new arterial route is to be built. The two public transit systems meet and turn back at the boundary and the arrangement even fails to take advantage of an obvious point of transfer at a nearby shopping plaza. The virtual absence of inter-municipal physical service arrangements indicates the extent to which the two cities have lived back to back.

9. A number of municipal services are furnished on a wider than local basis, providing ties between cities and suburbs. In most instances, however, wider than local services have joined Port Arthur with one group of municipalities and Fort William with another. Inter-municipal service arrangements that are common to both municipalities are confined to the following: the Regional Conservation Authority, the Northwestern Regional Library Board, the Lakehead Planning Board, the Thunder Bay Area Emergency Measures Organization, the Thunder Bay District Mutual Aid Fire System and, effective January 1, 1968, the Children's Aid Society of the District of Thunder Bay. All these arrangements are of relatively recent origin and, except for child welfare, the extent of responsibility assigned to these bodies is not great. There are, in addition, quasi-municipal bodies with representation from each city, of which the Lakehead Harbour Commission has the most municipal importance. Thus the cities have learned to co-operate but until the time of the Review had developed only limited interests in common.

## **LAND USE AND COMMUNITY DEVELOPMENT**

10. The determination of suitable outer boundaries for one or more urban municipalities com-

prising the Lakehead metropolitan area necessitates knowledge of present land use, planned future land use and the rate and direction of anticipated urban expansion. The participation of the Lakehead Planning Board in the Review process and the planning background of the Research Director for the Review have together afforded the Commission an opportunity to become well versed in these matters. Specifically, the Review has benefited greatly through frequent discussions with the Lakehead Planning Director and with the consultants engaged in urban renewal studies of both cities and employed to expedite the preparation of an Official Plan for the Lakehead planning area. For the purposes of this report it will be enough to summarize salient features of the Lakehead's physical development.

## LAND USE

11. Within the present boundaries of the twin cities, much land is largely undeveloped or capable of fresh development in a manner that will use property more intensively. As the proposed Lakehead Official Plan points out<sup>1</sup> there is an "overabundance of industrially designated land in Fort William (51% of the total area of the city)." In this regard, the report notes that neither McKellar nor Mission Island has attracted much development in recent years and it would therefore be possible to concentrate industrial uses on Mission Island and to permit McKellar to develop for residential purposes. In that event, the westward expansion of the metropolitan area into the Municipalities of Shuniah<sup>2</sup> and Neebing<sup>3</sup> could be considerably curtailed for the life of the plan.

12. Another key factor in the present situation is the large amount of undeveloped or partially developed land between the densely populated central areas of the two cities. Along the lakefront, the area is traversed by two main rail lines and a series of spur lines to the harbour. An overhead

railway line to the new ore dock further partitions the same general area. In addition, the land between the developed cities includes peat bogs that have inhibited urban use.

13. According to the First Interim Report on the Official Plan, the location of Lakehead University constitutes a wedge separating the westerly residential expansion from Port Arthur and the westerly residential expansion from Fort William. The plan to build Confederation College, the new community college, on land within Shuniah bordering on Port Arthur on the east and Fort William on the south will widen the wedge between.

14. The Economic Base Study forming part of the two urban renewal projects and An Interim Report on the Downtown Urban Renewal Scheme for Port Arthur each drew attention to the "remarkable duality" that has existed between Fort William and Port Arthur from the earliest times. In addition to the separate courses of residential expansion and the undeveloped territories between the cities, note was taken of the existence of the two widely separated central business districts. "We believe," the consultants observed, "that that duality will continue for at least another generation."<sup>4</sup>

15. The emphasis on duality in the Port Arthur urban renewal report was erroneously interpreted by that city's News Chronicle in a banner headline story that began, "Amalgamation of Port Arthur and Fort William will not happen for at least another generation." In fact, the urban renewal report intended no such judgment on the governmental arrangements for the Lakehead. While the area's remarkable duality must of course be a factor in deciding the desirable governmental arrangements for the future, it is only one of the elements to be given consideration. Indeed, the consultants on urban renewal themselves took note of another unique feature of the metropolitan area that will tend to draw the twin cities into a much closer relationship. "The Inter-City area is unusual in being geographically more central to the whole metropolitan area than either of the two traditional business centres," they pointed out, "and thus in a favourable position to develop as a multi-function business centre."<sup>5</sup>

<sup>1</sup>Page 73, First Interim Report, Lakehead Official Plan, September, 1967.

<sup>2</sup>The Municipality of Shuniah is comprised of three geographic townships, McIntyre, McGregor and McTavish each of which is a ward of the Municipality.

<sup>3</sup>The Municipality of Neebing contains four geographic townships, Neebing, Blake, Crooks and Pardee. The Township of Neebing is in turn divided by the Kaminstikwia River into the two wards, north and south Neebing. Each remaining township constitutes a ward within the Municipality of Neebing.

<sup>4</sup>Page 3, Second Interim Report, Downtown Urban Renewal Scheme for Port Arthur, Ontario, prepared by Proctor, Redfern, Bousfield and Bacon, December 1966.

<sup>5</sup>Ibid., Page 5.



16. Plainly the inter-city commercial area may be expected to attract an increasing proportion of business by comparison with the central business districts of Port Arthur and Fort William. Furthermore, this trend would be accentuated by the merger of the twin cities unless specific measures were taken to the contrary. It is a safe assumption that the joining of the two cities would lead to the establishment of a continuous transit route within a single fare zone and to the licensing of taxis to operate freely throughout the whole of the new municipality. A combined municipality, one should hasten to add, would doubtless find room both for the retention of substantial business districts in the downtown areas and for a considerable commercial expansion within the inter-city area.

17. The location of Lakehead University between the built up areas of the two cities has two quite different effects upon the physical expansion of the metropolitan area. On the one hand, it will serve to divide residential development between Fort William, Neebing and the southern strip of McIntyre and Port Arthur and a northwesterly extension into McIntyre. On the other hand, with necessary planning approvals, the University can draw other important institutional developments to its area, it can foster new housing for staff and students and it can bring about a related commercial expansion. The whole development would be enhanced by the park-like setting in which it would take place and by the immediate proximity of Confederation College. Lakehead University could, it is suggested, be made a stronger focal point of the Lakehead community if municipal boundaries were removed and no inter-municipal jealousies existed to deter the optimum use of land in this strategic area.

18. Abutting Port Arthur on the northwest is what the Municipality of Shuniah describes as "An area of high density housing of very low standard."<sup>6</sup> Known as Jumbo Gardens, this residential neighbourhood lying between Dawson Road and John Street and extending four blocks beyond the city limit contained a 1966 population of 623 persons within a net area of 70.79 acres, for a net density of 8.80 persons per acre. A further 331 persons resided in an abutting area enclosed by the line of

H.E.P.C. power transmission towers. The net density of this outer area, however, was much less—2.04 persons per acre.

19. The problem of Jumbo Gardens is that the population is provided neither with a community water supply nor a community sewage collector system. It has no municipal fire protection service from Shuniah and none from Port Arthur except on a compassionate basis. According to Shuniah's submission, Jumbo Gardens constituted the number one problem which led that municipality to back the Local Government Review.

20. The requirement for Jumbo Gardens can be simply stated: either community water and sewer services must be made available or some housing will have to be removed to reduce the existing density. Water must be brought from Lake Superior and sewage must be conveyed to a lakefront plant for treatment. The cost for Shuniah would be very heavy, if indeed that municipality could shoulder the expense.

21. Lacking financial capacity to install urban services in its residential areas and recognizing the source of its residential developments in an overflow from the City of Port Arthur, Shuniah proposed to the Review that approximately three thousand acres of land be transferred to the urban municipality. Later a specific boundary proposal was prepared at the Commissioner's request by which approximately 3,154 acres would be added to the urban jurisdiction. On the south, the suggested boundary would follow Golf Links Road and continue generally northerly to the Hydro-Electric Power Commission right-of-way; it would then swing northeasterly for approximately a mile and a half; thence it would run northerly, paralleling and about one-quarter mile to the west of Onion Lake Road: this line would then be joined by a westerly extension of the most northerly limit of the present City of Port Arthur within the geographic Township of McIntyre.

22. The City of Port Arthur is interested in a northwesterly expansion of its boundary despite the fact that a large amount of land within the present city to the north and east of Boulevard Lake remains undeveloped. The reason is the comparative difficulty of extending water and sewer services to that section, a point emphasized by the city at the Review hearings. A northwesterly expan-

<sup>6</sup>Submission from the Corporation of the Municipality of Shuniah to the Local Government Review.



sion of the city into Shuniah adjacent to Highway 17A and into the McVicar Creek area would bring a double advantage—needed services for Jumbo Gardens and readily serviceable land for further residential expansion.

23. Shuniah's proposal to the Review was not the first suggestion of a transfer of land to the city. In 1962, an annexation report prepared jointly for Port Arthur and Shuniah set out the effect on the mill rates of an annexation to the city of approximately 3,728 acres. The suggested area included land in McGregor Township to the north of the city as well as the territory within McIntyre proposed for transfer at the Review hearings. The land in McGregor Township included the site of Port Arthur's water intake and a strip of summer cottages along the lakefront and a parallel ribbon residential and highway commercial development along Highway 17. The summer cottages, or as they are more often called, "camps", are strung along the lakefront throughout the full length of McGregor Township. They are owned for the most part by residents of the twin cities. Shuniah exercises strict zoning control throughout this entire area. Places built for summer occupancy only are not now permitted to be converted for year-round use and very few conversions have in fact taken place. The location of new year-round residential properties is strictly controlled. At the hearings, Shuniah indicated its opposition to any transfer of land to the city from its McGregor Township and, from the viewpoint of present use and control, no need is seen to bring any part of McGregor Township within an urban municipality.

24. It is important to recognize that even a large-scale annexation by Port Arthur of territory from McIntyre Township would leave much residential property of persons in urban employment outside the annexation line. In 1966, Shuniah's Township of McIntyre contained 3,710 persons outside the Jumbo Gardens residential area and its northwesterly extension to the hydro right-of-way. Most of this population resides outside Shuniah's proposed annexation line. Extensive urban developments are found along Highway 17A (Dawson Road) and Highway 589, along John Street and Highway 130 (Oliver Road). Other main roads on which ribbon residential developments are significant include Balsam Street, Wardrobe Avenue,

Onion Lake Road, Hilldale Road, Government Road and Mapleward Road. On Highway 130 a cluster of residential development lies just outside the proposed annexation line. On Highway 17A in the vicinity of Alice Road there is another village cluster. The Official Plan of Shuniah contemplates controlled urban expansion in both these areas but the new proposed Official Plan for the entire Lakehead area would eliminate that notion.

25. Ribbon developments extend to the furthest reaches of McIntyre Township and continue on into Oliver on the west and the unorganized townships of Gorham and Ware to the north. The extent of these existing fingers of residential development and the expectation that, in the absence of control, this questionable form of expansion will continue, has doubtless been a major factor in the application of the Township of Oliver for inclusion in the planning area and of the Lakehead Planning Board to bring in Gorham and Ware townships.

26. Urban expansion from Fort William is directed westerly by the existence of Indian Reservation No. 52 immediately to the south of the city and a mountain chain known as the Nor'westers that extends from Mount McKay on the edge of the city southwesterly through Neebing's Blake Township. The Indian Reservation covers a land area of perhaps twenty square miles and includes the northerly portion of Loch Lomond. The source of Fort William's water supply is Loch Lomond and the supply main comes by agreement from within the Indian Reservation.

27. Indian Reservation lands can participate in urban development. Subject to the necessary approvals by the Indian Band and the Federal Department of Indian Affairs and Northern Development, development could occur either under lease or by outright sale of land. Alternatively, the Indian Band can assume direct responsibility itself for development within its means. It is clearly appropriate, therefore, that the Band should have been afforded the courtesy of an observer's role in the Lakehead Planning Board's operations. Indian Reservation No. 52 contains substantial acreages suitable for both urban and suburban development and other lands of great recreational value and scenic beauty. The Lakehead metropolitan area is not in a position at this stage to produce definitive development plans that include the Indian Reserva-

tion. It does seem probable, however, that the Mission Band will be interested increasingly as time goes on in the development potential of the reservation lands. In consequence, the likelihood of metropolitan expansion westward as far as Paipooonge or Oliver is rendered considerably more remote.

28. Within the most northerly ward of Neebing, that is, the area to the north of the Kaministiquia River, considerable residential development has already taken place despite the absence of water and sewer services, the large acreages taken up by the airport and the internal divisions created by the crisscrossing mainlines of both railways and the trackage of the Canadian National marshalling yards. Straddling the Neebing-Fort William boundary on the north side of the Kaministiquia River are the extensive properties of the Great Lakes Paper Company. The Dow Chemical Company has a plant in Neebing immediately to the west of the paper mill. Piped water has been made available to the two industries, to the airport, the Neebing municipal building and a small number of residential properties en route. The large industrial developments are a reminder that the Kam River, as it is commonly called, is navigable across Fort William and into Neebing.

29. Over the years, the north ward of Neebing has experienced a considerable residential development. Until relatively recently the water supply and sewage disposal requirements for north Neebing's residential properties were met satisfactorily by shallow wells and by pit privies and septic tanks. As density increased, however, two problems gradually emerged: shortage of water and possible contamination of wells. The Municipality of Neebing therefore commissioned an engineering report on waterworks facilities for that portion of the municipality contained within the Township of Neebing. Presented in January, 1963, the report recommended that Neebing endeavour to purchase water from the City of Fort William in order to proceed in turn with community water services to the Broadway, Arthur Street, Rosslyn Road and Riverdale Road residential areas.

30. At the time of the hearings, Neebing had just negotiated an agreement with the City of Fort William to obtain water from the city's system up to a maximum of fifty million imperial gallons per

annum at a cost of forty cents per thousand imperial gallons. Neebing was to meet the cost of tapping into the city's water system and piping the water to its consumers. The city ratified the agreement by by-law dated May 10, 1966 and Neebing by by-law dated June 20, 1966. The maximum gallonage, which may in the fullness of time be increased, would be sufficient to supply the residential and fire protection requirements for a population of about 1,400. In 1966, the north ward within Neebing Township contained a population of 2,661. Because no community sewage collector system is being planned, residential densities must remain lower than within the twin cities. Finally, the timing of water service extensions is uncertain following rejection of the relevant money by-law by Neebing voters in December, 1967.

31. South of the Kam River, Highway 61, the main route southward from the Lakehead, traverses the south ward of Neebing Township diagonally. It contains highway commercial development, provides access to the three ski resorts south of the twin cities and has stimulated residential development both east and west of the highway within Neebing Township. A provincial industrial farm at the south may soon obtain water by connecting a two inch pipe to the Fort William supply main. In mid-1966, the population within that part of Neebing Township had reached 772 persons. If the area is to remain without community water for the next twenty years, the population cannot be permitted to increase much further. Yet pressure will be exerted to permit additional residential development because the land is attractive and the new Lakehead expressway will make the area more accessible to both cities. Today Highway 61 crosses the river more than half a mile east of the Neebing-Fort William boundary while Highway 130 bridges the river two miles west of the Neebing-Paipooonge boundary. In between, no bridge spans the river.

32. In the oral presentation by the Municipality of Neebing, the chief problems of that municipality today were said to result from the lack of planning in earlier years. Among the suggested deficiencies were the following: the relocation of the C.N.R. marshalling yards in Neebing, the failure to run a watermain into Neebing when it might have been accomplished for much less cost than today, the establishment of the airport in a location intended



to favour Fort William over Port Arthur, a by-product of inter-city rivalry, the competition between the cities for institutional properties such as the mental hospital, the failure of the two cities to agree upon a site for a home for the aged and the consequent construction of two separate homes. While all these opinions were put forward by the solicitor acting for the municipality, the remainder of the delegation expressed no reservations as to the points that were made.

33. In 1966, over eighty per cent of Shuniah's year-round population was contained within its Township of McIntyre. In the same year, almost eighty-nine per cent of the Municipality of Neebing's population resided within its Township of Neebing and more than two-thirds of the population was contained within the north ward. Very little commercial development exists either in the Township of Neebing or the Township of McIntyre. The relationship of Neebing to the City of Fort William was stated during the presentation of the Neebing Planning Board brief at the Review hearings: "all our business is done within the City of Fort William". The position of McIntyre Township is much the same. Thus the bulk of the population within Shuniah's McIntyre Township and Neebing's Township of Neebing constitutes a clearly identifiable urban overflow from the twin cities which, most people might agree, forms an integral part of the Lakehead metropolis. Beyond McIntyre and Neebing Townships the position becomes less defined.

34. Within McGregor Township, the year-round population comprises less than one thousand persons scattered, for the most part, along the main highway for a full twenty miles from the city boundary. The distance to the outer reaches of McIntyre is scarcely half as great. A spattering of commercial establishments along the highway reduces the dependency of McGregor's residential properties upon the core area. Along Lake Superior, hundreds of summer cottages stretch from one end of McGregor to the other. The owners are in almost all instances resident in the twin cities but that is hardly a sufficient reason to classify the area as part of the metropolis.

35. McTavish Township commences twenty miles from Port Arthur and, along the main highway, is thirty-one miles beyond the city boundary

at its furthest point. Year-round settlement in McTavish amounted in 1966 to a mere 220 persons including several farm families. Again, there are cottage developments. Most are at Loon Lake on the McTavish-McGregor boundary.

36. The two organized municipalities to the west of the Lakehead, Oliver and Paipooonge, have their established village centres, Murillo and Kakabeka Falls in Oliver, Rosslyn Village in Paipooonge. Murillo contains a small abattoir and Rosslyn Village a brickworks while Kakabeka Falls is a notable tourist centre. A near static population in Oliver and in Paipooonge includes a significant proportion of farmers. The density is not yet great in either municipality and planning controls can preserve both from serious sprawl or blight.

37. The outer townships of Neebing are very lightly settled. Blake Township, with a 1966 population of 280 persons, contains some of the best farmlands in the area. Crooks and Pardee Townships, with only 240 people between them were homesteaded years ago. Today, both still offer bush work to some, while Pardee has lately become the scene of considerable diamond drilling.

38. The Lakehead metropolis provides a focal point for settlement throughout a substantial surrounding territory that includes all these organized municipalities and a considerable area beyond. The position is illustrated by the fact that all secondary schooling throughout an area extending for forty miles in each direction is located within the twin cities. Port Arthur and Fort William are the cities to which people come to shop from as far away as Dorion, Shebandowan and Pigeon River. All these places are within the Lakehead's orbit but far removed from the Lakehead metropolis. Throughout northern Ontario, the increasing automation of woods operations, the small extent of farming, the expanding tourist business and the greater ease of highway travel bring ever closer ties between the large urban centre and its hinterland. The inclusion within the jurisdiction of the Lakehead Conservation Authority of all ten municipalities comprising the study area for the Review would seem, in the circumstances, entirely suitable. The Lakehead metropolis is an area of common urban development. The latter's extent is primarily determined by the area throughout which lands are joined now



or may be expected to be joined in the foreseeable future by a network of water supply mains or by co-terminous networks of water and sewer mains. By such a definition, the Lakehead metropolis includes at most Port Arthur, Fort William, part of Neebing Township and part of McIntyre Township. Such a definition may have to be altered some day to include the close in lands of Indian Reservation No. 52.

39. The proposed Lakehead Official Plan, as enunciated in two Interim Reports, contains a number of points of importance with respect to the future land use of the Lakehead area.

1. Future urban development would be confined to a single urban and urbanizing entity centred upon the present twin cities except for the three urban settlements at Kakabeka Falls, Rosslyn and Murillo and these would remain small and well separated from the central metropolis.
2. Westward urban expansion would be held almost entirely to land within McIntyre that has been offered for transfer to urban jurisdiction by the Municipality of Shuniah and a further residential area north of Highway 17 within the Township of Neebing abutting the present boundary of Fort William.
3. The land in Neebing that is slated for urban residential development might not be required if, according to plan, intensive residential development could be obtained within Fort William, primarily on Mission Island.
4. In Neebing, between Highway 17 and the Kaministiquia River, all land west of the proposed Lakehead expressway would be designated as suburban residential.
5. The plan proposes no similar designation to the portion of Neebing Township south of the Kam River despite the existing suburban residential development and the recommendation by Neebing's consultants for eventual extension of watermains into the area.
6. No form of urban development has been proposed for most of the area within the limits of Port Arthur lying north of Boulevard Lake.

7. The proposed Official Plan relates to an anticipated population of 150,000 in 1986. The Lakehead Renewal Study, published in 1964, estimated that the area would contain that number by 1980. The assumption of the slower growth rate for present planning purposes results from the much slower actual growth between 1961 and 1966 than either the Lakehead Renewal Study or the Ontario Department of Economics and Development had anticipated, and the recent decline in the Ontario birth rate.

40. The Lakehead Planning Board undertook in its submission to the Review to put forward a suggested plan for optimum development of the Lakehead area. This bold and constructive approach has been very largely maintained in the subsequent preparation of a proposed Official Plan.

41. The question remains whether the proposed Official Plan can gain the support required for its adoption and implementation from the cluster of municipalities comprising the joint planning area. In fact, the intended land use would create a serious dilemma for the Municipality of Shuniah if no boundary change occurs. The extent of permitted urban residential development could not in all likelihood be balanced by the necessary proportion of commercial and industrial development even if the somewhat optimistic classification of land for light industry adjacent to the proposed Lakehead expressway should bear fruit.

42. Despite the best intentions of the planners, divided jurisdiction must be expected to affect recommendations on urban renewal and land use planning to some degree. To take one example: although the same consulting firm was engaged to carry out urban renewal studies for both cities, the treatment of urban renewal as two distinctive assignments doubtless encourages somewhat parallel urban renewal proposals for the two central business districts. The same view might not prevail if a single study of urban renewal requirements were commissioned for the Lakehead urban area as a whole. The proposed Lakehead Official Plan considers "The feasibility of re-locating the railway tracks in front of Fort William at some future date, and of providing for new C.P.R. sorting yards."

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<sup>7</sup>Page 3, Second Interim Report, Lakehead Official Plan, November, 1967.

Having introduced this interesting possibility, the idea is dropped without recommending any form of action. Yet such a development, if it were to occur, would materially affect the comparative potential of the two central business districts: Fort William's downtown area would gain greatly in stature. It would be easy to overstate the point. The suggestion is merely that the existence of two or more municipalities within a single metropolis is bound to create divided loyalties that will affect either the *nature of the plans* that are made for the use of land in the community or the *prospects for implementation* of those particular plans in which the overall public advantage takes clear precedence over sectional interests.

### COMMUNITY DEVELOPMENT

43. The rate of population growth in the Lakehead has been on the decline for almost a decade. Figures contained in the First Interim Report of the Proposed Lakehead Official Plan reveal that the average rate of population increase within the Lakehead planning area was 3.56 per cent throughout the eight years 1952 to 1959 inclusive but was only 1.40 per cent for the next seven years 1960 to 1966. In 1966, the population grew by less than one per cent. Small wonder that the rate of growth in the Lakehead area has been a matter of disappointment and concern to local people.

44. According to the then director of the Lakehead Planning Board, job opportunities failed to match the rate of population increase between the years 1951 and 1961 and the immediate result was an increase in unemployment. He estimated that the number of unemployment insurance registrants had multiplied over six times from 1951 to 1961.<sup>8</sup> The purpose of the comparison was to underscore the importance of providing sufficient new jobs to match the yearly flow of job seekers coming out of school.

45. In its published reports, the Economic Council of Canada has emphasized the need to maintain an adequate growth rate in order to ensure high employment and continuing prosperity. The report of the Ontario Committee on Taxation echoed the same theme. The Lakehead's position

as a slow growth area is creating an immediate problem for its people and a disturbing future outlook. Any doubts as to the reality of the difficulty were dispelled last September when Ontario's Prime Minister Robarts chose the Lakehead as the place to announce plans for a provincial incentive program to assist slow growth areas that have not been designated for economic aid by the Federal Government. Through the Ontario Development Corporation, the Province is offering interest free loans up to half a million dollars each to encourage secondary industries to settle in these slow growth locations.

46. A report prepared in 1964 for the Ontario Economic Council had already drawn attention to some of the employment problems of Port Arthur and Fort William.<sup>9</sup> At the time, the Economic Council of Canada, the Federal Department of Labour and the Ontario Economic Council arranged jointly to sponsor studies of employment conditions in three areas that had faced persistent problems of unemployment in recent years, Windsor, Cornwall and the Lakehead. I quote the report's important findings:

The Lakehead has, for some time, been beset by problems of unemployment. These problems to some extent, have retarded the economic growth of the area, and have caused hardships to the unemployed.

The unemployed in the Lakehead are from an older age group than are the unemployed in Ontario. . . . The incidence of unemployment in the Lakehead is considerably higher than in Ontario among persons with lower levels of education. . . . The majority of the unemployed in the Lakehead do not have any type of specialized education for training beyond their formal schooling. . . . A significant percentage of the unemployed, especially the seasonally unemployed have only elementary formal education, and as well, possess virtually no skill qualifications. . . . persons who could have benefited most from the existing training courses (Canadian Vocational Training Program Five), did not avail themselves of such courses.

<sup>8</sup>Notes on the Municipal Reorganization of the Lakehead Region, An Undated Memorandum by Harry Parsons, Director, Lakehead Planning Board.

<sup>9</sup>A Survey of Changing Employment Patterns at the Lakehead Cities of Port Arthur and Fort William, Prepared for the Ontario Economic Council by J. R. Nininger, University of Western Ontario, December, 1964.

The nature of the Lakehead's economy precludes the possibility of eliminating seasonal fluctuation in industrial activity and employment. . . . The Lakehead appears to be characterized by a significant number of persons who could be classified as long-term unemployed. These persons find it difficult to secure even seasonal employment. . . . There are definite indications that the unemployed in the Lakehead are geographically immobile. . . . There existed, during the course of the survey, a gap between the supply of labour and the demand for specific kinds of skilled craftsmen. . . . The older workers in the Lakehead who for various reasons have lost their jobs, and whose productivity is considered by employers to be below the minimum wage that would have to be paid them, present a special problem.

47. The twin cities have a strategic location at the head of the Great Lakes for the receipt of rail shipments from western Canada by both the Canadian National and Canadian Pacific Railways. The Lakehead contains twenty-six grain elevators, a new ore dock and modern harbour terminal facilities. It is the third largest tonnage port in Canada and the largest grain port in the world. The metropolis can boast five very large pulp and paper mills. On this secure base, the Lakehead has developed a further variety of industrial operations. The concern is whether it can grow fast enough to afford full opportunities for all its young people. Automation is reducing the number employed in the port, in woods operations and on plant assembly lines. Secondary and service industries must therefore be expanded and other potential sources of economic growth must be examined and accorded realistic support.

48. The attention of the Review was drawn by several prominent persons to new mining developments close to the Lakehead and to the possibility that mining and ore processing operations will eventually afford a substantial source of employment for persons who can, if they choose, reside at the Lakehead. The Commission was also made aware of an interest in expanding beef cattle production to a sufficient volume to support a large abattoir and meat packing plant. The growth of the tourist industry was also regarded as a possible means of reinforcing the Lakehead's economic

base. A Lakehead Region Conservation Report published in 1964 by the Ontario Department of Energy and Resources Management portrays the recreational possibilities of nine proposed conservation areas and indicates the need for conserving and developing these recreational resources. One wonders if the Lakehead people are sufficiently conscious, on the one hand, of the excellence of their natural surroundings and, on the other, of the limited knowledge of these tourist assets by people in accessible parts of Canada and the United States.

49. The Lakehead area cannot hope to achieve the rate of economic growth it requires in isolation. Business concerns in other parts of Canada must become interested in the Lakehead as a distribution centre. The size of the market must encourage new service industries to locate in the area. Business executives must be prepared to view the Lakehead as an acceptable place to live and bring up their children. Thus the Lakehead needs to present a strong and favourable image to the outside world.

50. Unfortunately, the Review afforded some evidence that the growth of the Lakehead has been retarded by the division into twin cities. During its oral presentation to the Review, the Chamber of Commerce delegation cited two instances in which industry was discouraged from locating at the Lakehead by the efforts of each city to obtain the new industry for itself. Two similar examples were reported to the Commissioner in private interviews. Also at the hearings, two persons expressed the opinion that inter-city competition was encouraging the two cities to offer excessive material inducements to prospective industries.

51. Again, during the Review hearings, the president of the Lakehead Chamber of Commerce stated his belief that the twin city arrangement contributes to an unfortunate lack of comprehension by people who are not closely associated with the Lakehead of the size and nature of its metropolitan complex. Other local people were equally convinced that no such problem exists, that the twin cities present a clear image to the world. It must be self-evident, however, that tourist and industrial promotion that is required to take equal note of Fort William and Port Arthur is likely to be clumsy and somewhat self-conscious. This handicap has doubtless been a factor in the increasing use of the name "Lakehead" or "Canadian



Lakehead", terms that remain distasteful to some of the older residents although thoroughly established in the minds of the majority.

52. During the course of the Review, inter-city competition was sometimes applauded as an important stimulus to local promotional efforts. It would seem that the Lakehead's growth requirements and its lack of growth accomplishment furnish quite sufficient incentive in themselves without need for stimulation through a contrived form of local competition. The Lakehead's inescapable competitors include Winnipeg, Sault Ste. Marie and other similar centres. It is to this competitive challenge that the Lakehead should address its full efforts.

### LOCAL PUBLIC SERVICES

53. Within the Lakehead metropolitan area, the responsibility for a substantial proportion of the local government services is split among the constituent municipalities. Neither the precise shortcomings of divided service responsibilities nor the particular advantages that unification of services might bring were greatly emphasized in the submissions to the Review. Yet effective provision of local government services must be accepted as a prime objective of structural reform within metropolitan areas. Indeed, most written and oral submissions to the Review took it for granted that some additional metropolitan unification of services would prove beneficial. The purpose of this section is to define and document desirable changes. The position of those services that are made available on a wider than local basis, extending into other parts of the district, will be taken up in the succeeding chapter.

### SANITARY SEWAGE SYSTEM

54. Community sewage systems are confined within the limits of Fort William and Port Arthur. The Port Arthur sanitary sewage system has been designed to permit an expansion into McIntyre Township but such a development is not anticipated under present circumstances because of the Municipality of Shuniah's inadequate financial capacity.

55. A recent biological survey of the Kaministiquia River and Thunder Bay carried out by the Ontario Water Resources Commission reveals the

main problems of sewage collection and disposal. Quoting from the report issued in April, 1967:

Sources of pollution in the Lower Kaministiquia River at the time of the 1966 biological survey included: untreated sewage from one-half of the 50,000 inhabitants of Fort William; the Great Lakes Paper Company with discharges of both sulphite and Kraft-process wastes; starch wastes from Ogilvie Flour Mills Limited; and sulphite wastes from the Abitibi Power and Paper Company Limited (Mission Mill).

And further on:

Major sources of pollution entering Thunder Bay include the cumulative wastes carried by the Kaministiquia River, treated municipal wastes from Port Arthur, BOD and suspended solids from Canada Malting Company Limited, and pulp and paper wastes from the Provincial Pulp and Paper Company Limited and the Abitibi Power and Paper Company's Mission Mill and Thunder Bay Division.

56. Among its conclusions, the report noted that the water quality of the Kaministiquia River for approximately five miles from the river mouths was severely impaired as a result of industrial and domestic wastes. It drew attention also to localized areas of organically contaminated water in Thunder Bay near the mouths of the Kaministiquia River and in the vicinity of waste discharges from the Abitibi Power and Paper Company's Thunder Bay Division. The report acknowledged, however, that a relatively large portion of Thunder Bay contained water of excellent quality.

57. The report contained recommendations for further investigations to ascertain the sources of pollution in the Lakehead harbour, with particular attention to waste discharges from two industrial plants and primary treatment wastes from the City of Port Arthur. It recommended that construction of trunk sewers to the unserved section of Fort William progress as scheduled and set forth other proposals aimed at reducing pollution from industrial waste.

58. Port Arthur and Fort William each has a primary treatment plant of relatively recent construction. The two are located within a stone's throw of one another. In the presentations to the Review, it has generally been acknowledged that a

single plant should have been built to serve both cities and that, when secondary treatment is added, the same mistake should not be repeated. If the treatment facilities were joined, some interconnection of the sewage collector systems would also be desirable.

59. Direct discussion with the Ontario Water Resources Commission produced the opinion that the Lakehead can best be served by a single integrated sewage collection and treatment system and that the progressive integration of the two systems is a highly desirable objective. A combined treatment plant, it was pointed out, would afford greater assurance of a continuing high standard of operation than two separate, smaller plants.

#### **WATER SUPPLY**

60. Fort William obtains its water through a sixty-year-old pipeline by gravity flow from Loch Lomond. Port Arthur draws its water from Lake Superior through intake pipes on the city's eastern limits. The boundary between the two cities marks the furthest extremities of both water distribution systems. Consequently there are no mains of large diameter in this area.

61. The submission by the City of Port Arthur stated that it is not feasible to interconnect the two water systems. Upon further inquiry, however, it was learned that a report had been obtained from Port Arthur's city engineer in January, 1962, as to the cost of joining the Port Arthur and Fort William systems for the purpose of supplying water to Fort William. A preliminary estimate of the cost of furnishing Fort William with two million gallons per day at fifty pounds per square inch pressure was \$312,000. By this means Fort William would have been furnished with only one-third to one-half of its existing requirements. Port Arthur's own water system, moreover, was not considered adequate for all eventualities. In particular the engineer referred to a bottleneck in the distribution system on Algoma Street near the Ontario Hospital. The engineer's report also noted that the cost of desirable improvements to the Port Arthur system could be quite substantial. In the interim, Port Arthur has improved the pumping capacity at the intake point and has improved its distribution system west of Boulevard Lake as far as McVicar's Creek. The city engineer went on to express the opinion that there might be great advantages for both cities in

developing a joint water supply and distribution system and he proposed that a technical co-ordinating committee be set up to pursue the matter. Action along these lines did not progress very far and Port Arthur thus felt able to regard the interconnecting of the two systems as unrealistic in dollar terms.

62. Through the years, Loch Lomond has proven an excellent source of water for the City of Fort William. Some years ago, however, chlorination of the water supply became necessary and, more recently, concern has been expressed as to the adequacy of the total supply. The engineering report produced for Neebing in January, 1963, spoke of a possible shortage of water from Loch Lomond by 1975, while acknowledging that an intensive investigation would be necessary to assess the potential of Loch Lomond accurately. Apparently the demands of Fort William now draw down the water level in Loch Lomond sufficiently to suggest a supply problem for the future that may necessitate going to Lake Superior to supplement the Loch Lomond source. The contract with Neebing may bring a time of water shortage for Fort William closer to hand. Furthermore, if the Lakehead succeeds in speeding its growth rate by procuring new industries, some of which are substantial water users, both Fort William and Port Arthur will require improvements in their water systems.

63. In the opinion of the Ontario Water Resources Commission, the water systems of the two cities should eventually be integrated and the additional supply needed for Port Arthur and perhaps also for Fort William should be obtained by carrying out needed improvements to the present water intake, pumping and purification system of Port Arthur at Bare Point. Interconnection of the two systems would of course help to prevent water supply and pressure problems affecting domestic and industrial consumption and fire protection needs.

#### **ROADS**

64. In 1960, a Traffic Planning Report on the Lakehead urban area was prepared for the twin cities, the Lakehead Planning Board and the Ontario Department of Highways.<sup>10</sup> The report found

<sup>10</sup>The study was carried out by De Leuw, Cather and Company of Canada Limited.

that the traffic problems of the Lakehead urban area were largely concentrated in the central business districts of each city. It noted that all inter-city traffic is forced to pass through both downtown areas because the two roads connecting the cities lead directly into the central business districts.

65. The Traffic Planning Report recommended the construction of a Lakehead expressway but following a rather different route in the inter-city area from the one subsequently adopted. The original plan would have made provision for new roads connecting into the inter-city, the residential and the downtown areas. There were to be thirteen interchange points along the route, including a new connecting four-lane road cutting through the inter-city area.

66. The cost of the Lakehead expressway is to be shared by the Province and the two cities whose contributions are based on the length of road within the limits of each. Neither suburban municipality will pay any part of the cost.

67. The chief road improvement since 1960 has been the joining of Edward Street in Fort William and Golf Links Road in Shuniah to provide a route to Port Arthur along Oliver Road. This third inter-city link was much needed. Its prime advantage, however, is to create a form of by-pass route that reduces the urgency of completing the Lakehead expressway, as now authorized. It does less to relieve downtown congestion, especially in Port Arthur.

68. As originally designed, the Lakehead expressway was intended to siphon traffic off the main thoroughfares in all parts of the twin cities. The revised plan constitutes a by-pass route that will cost considerably less and throw a smaller share of the cost upon the City of Port Arthur. It will do much less than the original scheme to relieve traffic flows on existing streets. Thus the modified plan postpones desirable road improvements and adds materially to their total cost in the long run. The change in plans suggests these questions: To what extent was the decision influenced by the existing divided jurisdiction within the Lakehead and more specifically, reluctance to commit Fort William to an expenditure that would speed growth of the inter-city area, which is largely within Port Arthur? Would a single Lakehead municipality have settled

for the less expensive project notwithstanding the lost opportunity it would seem to represent?

## **PUBLIC TRANSIT**

69. The Cities of Port Arthur and Fort William each own public transportation systems consisting of buses and trolley buses travelling on city streets. The Fort William system provides service into the adjacent part of Neebing Township. The Port Arthur system has a stop on Carl Avenue close to the boundary that affords a means of serving the residents of the Jumbo Gardens area in Shuniah. Both transit organizations have been experiencing substantial operating deficits and have become reconciled to the viewpoint that adequate service at acceptable fare levels must take precedence over efforts to make these operations self-sustaining.

70. The first public transportation services in the area were operated by Port Arthur in both municipalities. In 1908, after some sixteen years of single ownership, Fort William bought out its part of the system. The two systems continued under joint management, however, until 1913. All this time, the focal point of the two systems was a street railway line running continuously through a large extent of both municipalities. The inter-city street-car line remained in existence for more than half a century and constituted the lifeline of both systems from the beginning.

71. At the close of World War II, action was taken to replace all street cars with trolley buses in both systems. The changeover was accomplished in two years. For a time, the inter-city continuous transportation route was retained. It was then replaced by the two separate routings with a transfer point at the city boundary. One possible reason was the difference in time required for buses to traverse the portions of the route in each city. Whatever led to it, the change has been maintained ever since.

72. In 1965 a joint committee of members of the Fort William Public Utilities Committee and the Port Arthur Public Utilities Commission authorized a survey of the two transportation systems by a consulting transportation engineer, Joe R. Ong of Cincinnati, Ohio. It would seem that the terms of reference given to the consultant were not well considered. Two reports were produced with a substantial duplication of content, word for word.



Certain problems that were unique to one system or the other were examined and reported upon but the most important topic dealt with was inter-city operations. The reports do not make clear the extent of the committee's interest in the alternative ways in which an inter-city transit service could be procured, including:

1. Staggered use of the inter-city route by the trolley buses of each system.
2. Joint operation of the inter-city bus route under common management.
3. Joint operation of both transit systems in their entirety.

Alternatives would also exist as to the extent, if any, of common fare zones.

73. The consultant's reports draw attention to problems involved in providing a through trolley bus service while maintaining the two separate transit systems. Pros and cons of an inter-city trolley route are listed. Although inter-city passengers would much prefer a through service and "headways" of the two lines are now closely matched, the management problems associated with the change were considered sufficient to justify a recommendation against merger, bearing in mind that passenger interchanges are normally made as scheduled "98% or 99% of the time".<sup>11</sup>

74. The transit surveys were carried out in warm weather. Surprisingly, no mention whatsoever was made of level crossings in Fort William that can on occasion play havoc with the transfer schedule or of the extremely cold wait which winter-time passengers must face if that should occur.

75. The transit reports recognized interest by the committee in the possibility of full merger of

the two transit systems but did not pursue the subject at length. In the Fort William report, the consultant had strongly criticized lack of proper maintenance of equipment and lack of personnel in the maintenance department. He had included the statement: "There are phases of this I do not wish to put in a report".<sup>12</sup> Yet when it came to consideration of transit merger, the consultant saw no "glaring inefficiencies in the present form of management or operation". He thereupon continued: "It does not appear that the advantages of combination are self evident and this assignment does not contemplate an extended cost analysis to develop it in detail. I do not believe it is warranted." Whether the consultant was against giving the matter further study or against merger of the transit operations is not made clear.

76. At the public hearings, persons questioned about transit were not enthusiastic about the present inter-city transfer arrangement. Most, if not all were inclined to favour an inter-city bus service along a continuous route. The Lakehead Chamber of Commerce came out specifically in favour of a single fare zone for the two cities. The merger of the transit systems was supported at the hearings by several members of the Fort William Council and opposed by none. The change also had the full backing of Port Arthur's elected representatives.

77. The twin cities are only justified in continuing public transportation services if they believe them to serve a social objective that warrants recurring operating deficits. The present transfer at the city boundary, however, must surely run contrary to any social policy that the two city councils might define. Thus, a consolidation of public transportation services appears to be a change of obvious merit.

<sup>11</sup>This and succeeding quotations appear, with the one exception noted, in identical wording on different pages of each report.

<sup>12</sup>Page 13, Transit Operations as Operated by the Fort William Transit System, A Report by Joe R. Ong, P.Eng., July, 1965.

## EDUCATION

78. Submissions to the Lakehead Review by educational bodies came only from the Port Arthur Board of Education, the Port Arthur Separate School Board and the elementary and secondary teachers of the five municipalities sponsoring the Review. While the teachers' organization differed substantially from the two Port Arthur School Boards in the form and extent of structural change it favoured, teachers and trustees agreed that inequalities and deficiencies were to be found among the present school systems and that an attack could be made on the problem through some form of consolidation of the several school systems. In addition, all agreed that a new structure could bring new opportunities in education for the Lakehead area.

79. The teachers' brief emphasized the need for special classes for exceptional children, school library services and audio-visual aids, psychological and guidance services and music, art and physical education facilities. Their submission contained a chart showing the gaps in the provision of such services throughout the five Lakehead municipalities. The chart is reproduced below with minor changes to simplify the presentation of the information. The chief contrast it reveals is between the type of elementary schooling provided within the twin cities and in the suburbs. Port Arthur alone provides for psychological testing. None of the school systems has an audio-visual supervisor. Libraries are not found in the elementary schools. Twinhaven, the school for retarded children, is not part of the ordinary school system.

EDUCATION SERVICES IN LAKEHEAD SCHOOLS

	Elementary					Secondary	
	Port Arthur	Fort William	Shuniah	Neebing	Paipoonge	Port Arthur	Fort William
Psychology	x						
Guidance						x	x
Music Supervisor	x	x	x	x	x	x	x
Art Supervisor		x					
Physical Education	x	x				x	x
Audio-Visual Supervisor							
Libraries						x	x
Speech Therapy	x	x					
Retarded		Not part of the regular school systems					
Special Education	x	x	x	x		x	x
Home Instruction	x	x					

80. The teachers' brief attributed the lead taken by Port Arthur in establishing psychological testing to the good effects of inter-city rivalry. Yet it wanted this and other specialized services pressed upon the rest of the Lakehead area. It favoured establishment of a central audio-visual centre, a full-fledged mental health centre and classrooms for retarded children within the regular school system. It advocated closed circuit television and data pro-

cessing services and co-ordinated adult education services throughout the area.

81. The teachers' brief contended that there is not a uniformly high standard of instruction. It drew attention to the spread in average salaries paid to public school teachers between city and suburban boards (although the information as set out in the brief was not entirely accurate). The difference was

said to be a consequence of the higher proportion of more experienced and better qualified teachers in the city systems. Finally, the brief expressed concern over the higher proportion of the young people in the two cities attending school by comparison with the suburbs.

82. Throughout the Port Arthur Separate School submission, stress was placed upon the advantages of the large school system over the small in developing school services of high quality, including making desirable specialized services available to all pupils that can benefit from them and in affording significant opportunities for administrative economies. The brief recognized that one separate school system for the whole Lakehead area would still be smaller than the systems operated either by the Port Arthur or the Fort William Board of Education. The Board gave evidence of its own efforts to strengthen services through co-operation with the Port Arthur Board of Education. Both in the written brief and in its oral presentation the Port Arthur Separate School Board made its points strongly and supported them with specific examples.

83. Two possible administrative savings brought forward by the Port Arthur Separate School Board are as follows: first, the separate school boards in each city will soon reach the size where they are required to provide their own inspectors. Merger would enable the schools to be covered with one less inspector than as two distinctive systems. Second, the Board had calculated that business administration and secretarial services for an amalgamated separate school system could be provided at a cost saving overall of between \$21,000 and \$22,000 per annum.

84. The submission by the Port Arthur Board of Education like the other educational briefs, gave prime emphasis to the greater potential within a larger system for specialized forms of education. The possibility of administrative economies was also recognized and two examples of interest were cited. The Port Arthur Board contended that the twin cities were operating two small, expensive vocational schools where a combined municipality would have procured one large vocational school that could function for less than the combined cost. Second, in order to hire teachers, the Port Arthur Board finds it necessary to place advertisements side by side with Fort William in the Toronto

papers and to send its own delegation of six persons to Toronto each spring to participate in teacher hiring negotiations, an expense that is duplicated by Fort William.

85. The Port Arthur Board regarded the unnecessary *expense* of teacher recruitment as less important than the increased problem of procuring good staff when community efforts are divided. The Port Arthur Separate School Board emphasized the same point. Both Boards found it difficult to attract a sufficient number of suitably qualified teachers to the Lakehead area. The Separate School Board was even advertising for teachers in Manitoba. The real competition for staff, it was suggested, is with other centres, North Bay or Sudbury, Sault Ste. Marie or Timmins. It was questioned whether the best efforts of the several school boards in the Lakehead can match the drawing power of a single area-wide board.

86. Adult education services for the whole Lakehead urban area are operated by the Port Arthur Board of Education. For this purpose, a modern, strategically located centre has been established on Memorial Avenue in the inter-city area. Instruction is made available under three federal-provincial programs and the entire cost is met by the senior governments. Yet the local administrative responsibility is being shouldered by one part of the area for the benefit of the whole. The Port Arthur Board also noted that this is an expanding service and the largest program of adult education in northern Ontario.

87. The Commissioner's part in the consideration of an education centre for the Lakehead threw further light upon the potential benefits of a Lakehead merger of school services. Following lengthy discussion, the representatives of all four city school boards were in apparent agreement that a number of good purposes could be served by a Lakehead education centre. The following were noted in the Minutes:

1. A professional library for teachers.
2. A testing services centre.
3. Data processing facilities.
4. Classrooms and conference rooms for in-service training.
5. An art centre with work and display facilities.



6. A small theatre.
7. Television studios for closed circuit broadcasting.
8. A museum.
9. A music room.
10. Board room facilities.

But the education centre plan failed. Fort William's new structure will not provide the equivalent facilities at the outset and would appear to be in the wrong location to encourage other boards to participate in an expanded development later on. To the Commissioner of this Review it was perfectly plain that either a board of education or a separate school board representing both cities would have found it hard to forego a commitment to support the education centre project whereas the four boards from the twin cities were unable to achieve the extent of agreement needed to give the education centre proposal proper consideration.

## PARKS AND RECREATION

88. Submissions to the Review from the bodies responsible for parks and recreation services both in Port Arthur and Fort William have afforded the principal source of information on these services. According to the Fort William submission, Shuniah and Neebing have very little in the way of organized parks or recreation undertakings and no specially trained personnel in these fields. The Review is aware of certain parks in these municipalities, Wild Goose and Iksu parks, for example, in McGregor Township. There would seem to be need, however, for an extension of improved services into these municipalities as population grows.

89. The Port Arthur and Fort William parks and recreation submissions each expressed quite similar sentiments as to the harmful effects of the present divided jurisdiction and the potential benefits from some measure of unification of these important services. The Port Arthur committee was of the opinion that the requirements should be determined for the urban area as a whole and that land should be reserved for park and recreational purposes well in advance of development. The Fort William delegation illustrated this same notion by reference to the inter-city area. Attention was drawn to the strategic location of Chapple Park on the north of Fort William touching the boundary between Port

Arthur and Shuniah. Quoting from their brief:

It has been our thought that this parks and recreation area could continue through to and include the present Lakehead College grounds. This area which is centrally located would then eventually become the social and intellectual centre of the Lakehead. It would have parts of Port Arthur and Fort William as well as Shuniah and would be adjacent to Neebing Township. This centre would cover approximately 1,200 acres; and all intellectual, social and cultural programs and facilities could be conducted from this one centrally located base. At the present time, Port Arthur has zoned the area adjacent to the Chapple Centre as a light and heavy industrial zone. Shuniah, basically has the same thoughts as far as this property is concerned.<sup>13</sup>

A similar sentiment was voiced by the Port Arthur Parks and Recreation Committee. Among the conclusions in its brief, the Committee noted that a master plan "would assure that adequate neighbourhood and community park requirements would be met—especially in the vicinity where the residential areas of the two cities will eventually join".

90. At the hearings, the Port Arthur Parks and Recreation Committee dealt with the problem faced by the two cities in endeavouring to provide costly facilities and to avoid duplicate expenditures. The subject had been introduced in the written submission. Fort William, it was noted, had undertaken to construct a conservatory as a centennial project. Since this conservatory will be quite capable of serving a population of 200,000, the Port Arthur committee felt that no conservatory should be built by Port Arthur. Yet no arrangements had been made to share the benefits of the Fort William conservatory. In its turn, the Fort William delegation noted that the conservatory being constructed by Fort William should really be staffed by a qualified botanist. This was an expenditure that the City of Fort William could ill afford, the delegation pointed out, whereas together the two municipalities could do so. From the Port Arthur group it was learned that their city has a large mowing machine which could supply the needs of both municipalities and that Fort William has costly tree maintenance

<sup>13</sup>Page 3, Submission by the Fort William Board of Park Management and the Fort William Civic Recreation Committee.

equipment that could be put to use similarly. Neither equipment is being lent back and forth, however. Along the same vein, the City of Port Arthur would like to buy a stump removing unit but could not justify the large expenditure unless the equipment could be shared with the neighbouring city. Finally, the two parks and recreation delegations were concerned that certain park areas, of which Boulevard Lake would be an example, are not likely to be most fully utilized as the property of one city only.

91. In 1966, the parks and recreation committees of the two cities met together for the first time in many years. One result was to discover that each city was giving financial assistance to some citizens' organizations without being aware of help they were obtaining from the other city. The liaison that has been established between cities should improve the inter-city relationships on parks and recreation services. Port Arthur expressed doubts, however, that this means can suffice to resolve the more difficult inter-city problems like the requirements for stadiums or arenas.

92. The Review was informed that an inter-city location was considered for the Fort William Gardens but the site was voted down in a referendum. One Fort William alderman wondered whether the present location has contributed to a less than satisfactory financial operation by the Gardens. An examination of the audits for three recent years, 1962, 1964 and 1966 reveals the position. Before debt charges, the year-end result ranged from a loss of \$1,016 to a profit of \$12,472. After debt charges there was a deficit of between \$41,837 and \$54,553—a less than satisfactory position. Along the same lines, one wonders whether the City of Port Arthur would have chosen to construct even a small community arena at a cost of some \$281,000 and thereby to create for itself substantial operating losses on a completely debt-free asset. In 1966, the net loss exceeded ten per cent of the arena's capital cost. Again, the question was put to the Review whether there is a sufficient demand to justify two lighted stadiums, one in each city.

93. Finally, at the hearings Port Arthur expressed the need for a concert hall to serve both cities. Until it can be built, a portable stage for use in several existing buildings could be provided for

a cost of some \$6,000. Both are area-wide projects on which appropriate community action is lacking.

## **POLICING**

94. A factor in the policing requirements for the Lakehead area is the location of an Ontario Provincial Police detachment at Port Arthur which is providing service throughout the suburban municipalities, including the urbanizing and cottage developments and to the Indian Reservation. There is also a Royal Canadian Mounted Police detachment located in Fort William. By retaining rural status, portions of the suburbs are policed at provincial expense where, in equity, the responsibility should be met at local expense.

95. The City of Port Arthur, in its written submission to the Review, expressed the opinion that "more efficiency could be obtained among local (police) forces by the introduction of centralized record and communications systems". At the hearings, this interest in police merger was not fully supported. Port Arthur's chief of police saw no present communications problem, expressed little enthusiasm for a central records system and pointed to the cost involved in making both these changes. The police chief did recognize, on the other hand, that a city of 100,000 population could strengthen its specialized policing operations and gave as an example the possibility of setting up a crime lab.

96. The Ontario Police Commission has taken a direct interest in the consolidation of local police forces into larger units throughout Ontario. Before the Review got under way, the Commission had begun exploring a Lakehead police merger. Further action has since been withheld pending the outcome of this Review.

97. Despite a lack of local interest in police unification, a case for unification on theoretical grounds was put to the Review in consequence of our discussions with the Ontario Police Commission. Consolidation of policing operations throughout the Lakehead urban area would, it was contended, permit constructive changes including the establishment of central records and communications systems. There could also be a single morality squad, a single traffic branch and a single specialized detective branch. Each would be stronger and more efficient than the present services. As a city of over 100,000 the Lakehead metropolis could establish

a criminal intelligence branch and a juvenile branch. Finally, somewhat more rational patrol areas might be worked out if the urban area were not divided by internal municipal boundaries. It is doubtful, however, whether this last point has much application to the Lakehead's situation.

98. The Commission also drew the final Report of the British Royal Commission on the Police, issued in 1962, to the attention of the Review. That document contained opinions on the minimum size of police forces. The following are pertinent excerpts:

. . . the Desborough Committee, over 40 years ago, expressed the opinion that ideally a town with less than 100,000 inhabitants should not have a separate police force; . . . The size of a police force appropriate to a population of 100,000 is at present about 200; but we have formed a clear view that forces as small as 200 . . . tend to suffer under a number of disadvantages. . . . Thus it is apparent to us . . . that the retention of forces numbering less than 350 in strength is justifiable only by special circumstances, such as the distribution of the population and the geography of the area. Moreover, it is clear that the optimum size of force is much greater than this—probably 500 or upwards.<sup>14</sup>

99. The conclusion one must draw with respect to policing is that little local desire has been shown for merger and less advantage is to be anticipated from merger than in other locations because of the continuing duality of the urban area. At the same time, there are probably benefits well worth seeking of which the local populace is unaware.

#### **FIRE PROTECTION**

100. At the time of the Review hearings, only the twin cities had fire departments of their own. Each was manned entirely by full-time firemen. The Municipality of Neebing was purchasing fire protection services from Fort William. Neither Paipoonge nor Shuniah had assumed any responsibility, municipally, for fire protection.

101. In recent years, the Municipality of Neebing has been paying the City of Fort William a flat amount for fire protection services. Fort William

had felt it necessary to increase the amount from time to time and discussed intended increases in advance with Neebing. In 1967, Neebing decided to establish its own fire protection service rather than accept the latest proposed increase in the contract price. Purchased service was continued throughout 1967, after which Neebing began operating its own department.

102. Neebing purchased a seven hundred gallon pumper truck and equipped another older vehicle with a fourteen hundred gallon tank that could be used either as a back-up water supply or to pump water directly to a fire. The Municipality established a fire station on Side Road No. 20 between Rosslyn Road and Arthur Street, appointed a full-time fire chief and enlisted a crew of twenty-one volunteers. Special telephones were installed in the volunteers' homes and this alarm system is maintained by the Fort William Telephone Company for a modest monthly charge. Notwithstanding the reliance on volunteers, the formation of the Neebing fire department is said to have resulted in a reduction in fire underwriters' rates.

103. The City of Port Arthur has been prepared to furnish fire protection to adjacent properties within Shuniah's McIntyre Township by written agreement with individual property holders. The arrangement has not been popular. At the time of the hearings, agreements existed with only four commercial properties, one being the Port Arthur Golf and Country Club. Meanwhile, one contract has been cancelled. The City of Port Arthur refuses other fire calls from McIntyre and McGregor but may authorize assistance if a second appeal is made. The authorization must be by the mayor or a senior official representing him. Such a person is always on duty. The amount of help that Port Arthur can furnish in the suburbs is limited unless the property is within reach of a hydrant since none of the city's fire trucks has substantial tank capacity.

104. The Ontario Fire Marshal's office has promoted the establishment of what is known as the Thunder Bay District Mutual Fire Aid System. Assistance is worked out among adjacent municipalities that have fire departments. The twin cities have long had a verbal agreement to come to each other's aid in the event of a serious fire. This established practice has been reinforced by the mutual aid arrangements under the Thunder Bay District

<sup>14</sup>Page 85, Report of the British Royal Commission on Police, 1962.



system. The Municipality of Neebing passed a by-law to join the mutual aid system on January 8, 1968.

105. The City of Fort William operates from three fire stations, the City of Port Arthur from two. Port Arthur is planning a third station. The most valuable location would be in the inter-city area where service could be extended into adjacent areas of Shuniah and Fort William. The situation illustrates one common disadvantage of municipal boundaries that divide an urban area.

106. The most serious evident deficiency in fire protection relates to McIntyre Township. While the urban developments in the township remain outside the areas of urban jurisdiction, a thoroughly unsatisfactory situation appears likely to continue in existence. It is a metropolitan problem that is only likely to be solved through concerted metropolitan action.

#### **GARBAGE DISPOSAL**

107. The submission by the City of Port Arthur drew attention to problems of garbage disposal in both cities:

Fort William has abandoned its incinerator from time to time in recent years to use the land fill method of refuse disposal which in turn has not been satisfactory for various reasons. Port Arthur's incinerator is a continual source of complaint and the dumping ground in Shuniah, operated in co-operation with that municipality, leaves much to be desired.<sup>15</sup>

108. The City of Port Arthur and the Municipality have an agreement under which the city shares use of a dumping area within Shuniah while Shuniah property holders are permitted to bring refuse to the incinerator within Port Arthur for disposal. The city's incinerator is located in a residential area and the mayor acknowledged that the municipality feels committed both to the Ontario Housing Corporation and to the residents of the area to terminate the incinerator operation in its present location when it can do so.

109. The City of Fort William has an old incinerator that is being used close to its maximum capacity. At one time, the liaison committee of the

two city councils looked into the question of a common disposal site. But Fort William was able, with the help of a consultant, to devise a plan for restoring its incinerator plant for a manageable expenditure and consideration of a new disposal arrangement to serve both cities was thereupon dropped.

110. It is only a matter of time until both cities must make new arrangements for garbage disposal. Garbage collection, it should also be noted, ought certainly to be extended into the Jumbo Gardens area of Shuniah and probably into further parts of McIntyre and into Neebing Township. In the circumstances, a garbage disposal arrangement to serve the entire urban area would be desirable. The problem of obtaining a suitable location for a disposal site is greater where jurisdiction is divided. The Lakehead Planning Board has not yet given consideration to this matter.

#### **LICENSING**

111. Separate licensing by each city of occupations and trades that are not conducted at a fixed location constitutes a business restriction that is scarcely defensible in light of the close physical proximity of the two municipalities. An example given to the Review repeatedly was taxi cabs. To prevent taxis from obtaining business in both cities unless licensed by each creates an inconvenience for the public, an encouragement to evasion of the law and an upward pressure on taxi fares.

112. There are other occupations where separate licensing by each city creates similar problems. Plumbers, heating contractors or electricians should neither have to be licensed in both cities nor forego offers of work in one city if located in the other. The dimensions of the problem are indicated by the following list extracted from the occupations and trades subject to license by the City of Fort William:

- Auctioneers
- Cabs (Taxis) and Drivers
- Cartage Vehicles
- Driving Schools—Cars and Instructors
- Electricians—Contractors, Masters and Journey-men
- Hawkers and Peddlers, and Salesmen
- Heating Contractors, Masters and Journeymen

<sup>15</sup>Page 10, Part I, City of Port Arthur submission.

#### House Movers

Plumbers—Contractors, Masters and Journey-men.

113. It would, of course, be possible for the two cities to enter into a co-operative arrangement under which the license fees imposed by each for mobile services or trades are kept at the same level and convey the privilege of operating throughout both cities. The point is that, as two competing municipalities, such an arrangement has not been made, despite its obvious benefits.

#### PUBLIC LIBRARIES

114. The Port Arthur librarian made a personal submission to the Review. He expressed his own support for merger of the two cities and the adjacent urban areas. His testimony stressed the necessity of maintaining and strengthening the present library services in their existing locations. Merger, he felt, might lead to a third library in an inter-city location and stimulate bookmobile services in the more remote residential areas, such as Current River, and at schools and shopping plazas. A major reason for his written submission was to draw attention to the advantages to be expected for the Lakehead from the regional library system of northwestern Ontario.

115. The public libraries in the two cities are assisting in the development of a course for library technologists through Lakehead University. Since there are not library schools in Canada between Vancouver and Toronto, a full-fledged library school within Lakehead University would seem to be a desirable and possible development. The merger of the two cities might, in the Port Arthur librarian's opinion, assist that development also.

#### HARBOUR

116. Thunder Bay, the home of the twin cities presided over by the sleeping giant, is sufficiently sheltered by the Sibley Peninsula, Pie Island and Isle Royal to provide a magnificent natural harbour. Development has taken place along much of the lakefront from the northern boundary of Port Arthur to the southern boundary of Fort William. The extent of harbour lands includes the Kamini-stikwia River for a distance in excess of five miles and the two outlets known as McKellar River and Mission River that form the delta islands bearing the same names.

117. The Lakehead harbour, with its many grain elevators provides a dramatic setting for the twin cities, conveying a sense of unity not matched by the local political institutions and public attitudes. The Keefer Terminal stands as a symbol of the port's progress but behind the islands lie run down and disused dock areas that strike a harshly incongruous note. Problems posed by the river portions of the harbour arise from the need for periodic dredging and the somewhat confined space—problems that have been accentuated by the construction of the St. Lawrence Seaway.

118. The harbour development is under the jurisdiction of the Lakehead Harbour Commissioners, a body responsible primarily to the federal Department of Transport, with three commissioners appointed by the Federal Government and one each by the twin cities. The Lakehead Harbour Commission includes in its jurisdiction harbour safety and policing and waterfront land development which takes in the responsibility for harbour clean-up and for some potential park development. The Keefer Terminal, built at a cost of \$8½ million and opened officially in June, 1962, is run by the Commission.

119. Despite the unification of harbour responsibilities, the Review was furnished with promotional literature from Fort William, describing it as "the seaport of the prairies" and from Port Arthur which called itself "western terminus of the Seaway". As with other Great Lakes harbours, honour is paid the first ship to enter the harbour in the spring. The Review was told that the twin cities wished individual recognition of the first ship entering each city's portion of the harbour.

120. The attention of the Review has also been drawn to a series of three reports on the development of the harbour prepared privately for the federal Department of Public Works by engineering consultants. Presumably the expansion of the harbour currently in progress takes account of the consultants' recommendations and gives priority to the most pressing economic needs over any matching of expenditures within the territory of each city.

#### PLANNING

121. Responsibility for municipal planning is shared throughout the five sponsoring municipalities by the Lakehead Planning Board and subsidiary

planning boards of each local municipality. The existence of the area-wide board has helped to bring the Lakehead to the position where each of the five municipalities has an approved Official Plan, an approved comprehensive zoning by-law, an area of subdivision control by-law and a building by-law. Neebing's Official Plan and its subdivision control by-law are, however, confined to the Township of Neebing, whereas its zoning and building by-laws apply to the entire municipality.

122. In its submission to the Review, the Lakehead Planning Board made frank reference to certain shortcomings resulting from the shared responsibility for planning. Until an area-wide official plan can be completed and the needed approvals obtained for its adoption, the Lakehead area is governed by five separate planning policies. The Lakehead Planning Board's submission drew attention to and illustrated the chief disadvantages of the situation by reference to a map portraying the five Official Plans. Careful questioning of the delegation on the points served to confirm and underline the stated position. Quoting:

1. The proposed development policies of each municipality are not necessarily related to a pattern for optimum Lakehead area development when viewed as a unit. In each Plan, development is related to a municipality within a given set of boundaries.
2. Land use conflicts exist at municipal boundaries.
3. Each Official Plan must be based on a municipality's ability to exist independently of its neighbours. It must endeavour to produce policies which will encourage a sound financial position for the municipality. Under the present tax structure, this necessitates industrial assessment. As a result, each municipality has designated a portion of its area for industrial purposes. The location of these areas within a given set of boundaries may be logical, but in terms of the area as a whole, may be illogical and detrimental to optimum area development. For example, the industrial wedge which is resulting between the two Cities.
4. Except to a limited extent in the Municipality of Shuniah, little attention has been

given to the projection and co-ordination of existing municipal services.

5. Urban uses are being introduced into rural areas in advance of the development of the two Cities.
6. Development has not been staged in order to take advantage of municipal services.
7. With five separate Official Plans, no designations are made for uses which serve the entire region.
8. The procedures for amendments to the Official Plan vary in each municipality.
9. Standards for development vary across the area.
10. There is little control over matters which may be viewed as of great regional importance.

123. But what are the implications of this statement? Surely it becomes impossible for the Lakehead Planning Board to obtain the adoption of an overall plan that eliminates the separate and, to a degree, conflicting objectives of the municipalities within the Lakehead planning area. When questioned on the point at the hearing, the Planning Board Chairman acknowledged the need for "a little more regionally inclined form of jurisdiction that puts (planning) out of the control of the small units". But will a little change suffice? As Shuniah well knows, separate municipalities must live by the existing rules for separate existence, or perish.

124. The Review was concerned at one further limitation of the joint planning process. The Lakehead Planning Board has existed throughout the whole period when Neebing was studying the feasibility of obtaining its own water supply and negotiating for that supply from the City of Fort William. Yet the Lakehead Planning Board was not consulted and it volunteered no opinion as to the merits of such a development. A joint planning board might be described as always having to walk on eggs. It is bound, therefore, to be hesitant about opening up controversial issues relating to its work.

#### REMAINING SERVICES

125. In addition to the matters already reported upon, the Review has received other incidental



information and comment. One example is the co-operative arrangement between the two municipal telephone companies: they comprise a common calling area and share responsibility for services into suburban territory. Or again, with respect to general welfare, the Evangelism and Social Service Committee of the United Church drew the Review's attention to the differing standards of welfare payments between one municipality and another. Yet the Review did not endeavour to initiate exhaustive inquiries into each local government service, the reason being that sufficient information on services has been forthcoming to enable clear opinions to be formed on this phase of the inquiry into the most desirable governmental arrangements for the Lakehead, and the cost involved in carrying out more extensive studies would therefore not have been warranted.

## SCALE OF OPERATION

126. The scale of operations of a local government, like other forms of government and like business enterprises, has an important bearing on the nature of the services that can be furnished and on their unit cost. That was the point behind the position taken by the British Royal Commission on the Police, quoted earlier, with respect to the size of urban police forces. Economies of scale are a subject of growing interest to students of local government. A generous share of the developing body of literature on the subject has been scanned by the Review in order to consider its pertinence to the question of merger of services throughout the Lakehead area.

127. For local government units of relatively small size, mergers that can be effected within reasonable territorial confines may be expected to result in economies of scale. Such economies, however, may not bring absolute dollar savings. The reason is that an expanded scale of operations also creates opportunities to improve service standards. As a municipality grows, whether as a gradual process or through a sudden enlargement of boundaries, it may be expected to take advantage of the potential for *improved* services afforded by its growing size. Such developments may more than offset the dollar savings made possible through economies of scale. Yet the economies remain, though concealed by the added cost of improved

services. Growth brings the taxpayer or ratepayer greater value for each dollar expended.

128. Economies of scale are a by-product of increased volume which in turn permits production line techniques and mechanical aids to facilitate work output. As long as a government service can be organized to make volume an advantage, economies of scale should result. As growth proceeds, however, the problems of maintaining well ordered administration increase. Time spent on organizing, reporting, clarifying, checking, becomes greater. The growing economies of scale may be increasingly offset by an increase in such costs which is proceeding at a faster rate than the rate of growth of services. Eventually the point can be reached where economies of scale disappear and what are called diseconomies of scale take over.

129. It is of course possible for a government service, large or small, to suffer a loss in efficiency through the increasing carelessness, slackness or incompetence of those who participate in its operations. For this reason, no one can guarantee that an increase in size will in fact produce dollar savings, better services or both. There is widespread recognition, however, that, within limits, an increase in the scale of operations will make benefits of both kinds possible.

130. While the Review was in progress two municipal mergers occurred in British Columbia, Alberni and Port Alberni, Kamloops and North Kamloops. In each case, the result was formation of a city of between 15,000 and 20,000 people. An inquiry directed by the Review to their Deputy Minister of Municipal Affairs brought the following interesting comment:

There is no doubt that where amalgamation is acceptable there are some advantages. First, the overhead costs are naturally less and this does not have to be proved. The service cost however may not be less, although it is hardly likely to be more. The second advantage is that you eliminate competition between two areas and thereby avoid some of the wasteful duplication of sites for commerce and industry. These are basically the savings one realizes.

Is such an opinion shared by others? Would it be applicable to Fort William and Port Arthur which, if joined, would become seven or eight times as

large as the amalgamated municipalities in British Columbia?

131. To throw light on these subjects, a questionnaire was developed and circulated to all civic departments in a number of Canadian cities that are within the population range of the Lakehead urban area, that is, averaging slightly in excess of 100,000. The objective was to determine, first, what enthusiasm each might display for a municipal operation of its present size and, second, to seek to discover particular benefits of the larger operation that administrators in these cities could point to from their experience by comparison with a city of 50,000. It seemed obvious that none of those approached was likely to speak in favour of partitioning his municipality in order to cut the size in half. Some might, however, hark back to an earlier day when volume was less, because each city communicated with had experienced a substantial population increase within recent times. All were asked to make the theoretical comparison between large and small size.

132. Six cities were approached, of which five undertook to process the questionnaires. In the sixth, it happened that the city manager died in office shortly after the request was made and the matter was therefore not pursued. The respondents were Kitchener, Regina, St. Catharines, Saskatoon and Sudbury. The questionnaire designed by the Review was lengthy, making its completion time-consuming. It was directed, moreover, to twenty-nine different departments or branches of civic government. Understandably, therefore, a complete response was not obtained. In particular, the public works officials in the City of Sudbury were unable to give the required time to this voluntary undertaking. Finally, the range of services provided in each of the five cities was not identical and the departmental grouping of functions differed to some extent. These variations accounted for some further difference between the number of questionnaires circulated and the number of replies received.

133. The questionnaires were used to solicit information on the advantages of each city's present scale of operation as compared to serving a population of about 50,000. Questions were framed relating to staffing, accommodation, machinery and equipment, purchasing and stores and capital

works. In all, seventeen points were covered and ample space was provided with each for explanation or comment. There was also space for general information and comment. Those who were aware of any disadvantages of their size compared with a municipality of 50,000 were invited to describe these also. A standard questionnaire form was employed even though it was recognized that a number of the points of coverage would not in all cases be applicable. For example, some departments have no concern with capital works. Again, purchasing and stores being a centralized function in all five cities covered, some department heads left the section blank.

134. Altogether, one hundred and three questionnaires were filled in and returned to the Review. The number of persons participating was smaller, eighty-four, because certain persons were responsible for two or more functions dealt with in separate questionnaires.

135. The two numerical tabulations from completed questionnaires set down, in the one instance by *function* and in the other by *type of benefit*, the advantages seen for large-scale operations throughout the departments of the five cities. Neutral or negative responses have also been counted and form part of the tabular presentation. Where suggested advantages contained on the questionnaire form have merely been checked, the fact is so noted in the tabulation. Where some form of statement has been forthcoming, an explanation or comment as to the nature of an advantage of scale, this form of response has been tabulated separately. The number of instances where those replying took the trouble to explain their point of view rather than check that their opinion was favourable turned out to be most impressive. Furthermore, besides the comments offered on individual items throughout the questionnaire, general information and comment was given on more than half the completed questionnaires.

136. On the first table, the effect of an increased scale of operations is classified according to the type of benefit that the larger size might bring, affecting staffing, accommodation and so forth. In setting up the table, the classification of information has been abbreviated somewhat from the way in which it was presented in the circulated questionnaires. The meaning should still be clear, however.

137. To assist in interpreting the table, let us look at the information in the first line. Of the total replies, seventy-three took the position that increased size had a positive result. Twenty merely had a check mark on the form to indicate this fact. Fifty-three contained some comment to this effect. Five of the replies expressed the opposite view of the case suggesting that increased size made adequate staffing numerically more difficult. Eight more replies indicated uncertainty as to the effect their growing size had on the ability to maintain numbers. Finally, in seventeen instances, this space on the questionnaire form was merely left blank.

138. Now let us proceed to scan the full tabulation and make some broader comment on its meaning. There was a good deal of conviction that growing size was likely to bring a higher calibre of departmental staff and to permit a more specialized use of staff. The respondents were less certain that the staff of a larger municipality would be more productive or more adequate to its needs numerically. Even here, however, the preponderant

opinion was positive. The majority of those who replied agreed that, with larger size, the municipality could provide better work space for its employees and offer more amenities to its staff. It is interesting to note that an increase in size was thought to bring more certain improvement when it came to the provision of space for location or storage of machinery and equipment. There was also quite general agreement that, in a larger municipality, more and better use could be made of machinery and equipment, a larger proportion of such assets could be owned and the civic administration could more readily provide its own maintenance services. The ability to achieve savings on purchases and to improve the control over the release of stores was well recognized; yet a significant amount of negative or neutral comment also came back. Finally, fewer people recognized size as having a bearing on the capital works program than on other aspects of municipal operations. But, where a relationship was seen, it was for the most part regarded as positive.

#### RESPONSE TO QUESTIONNAIRE ON BENEFITS OF SCALE

##### A—Classified by Type of Benefit

Type of Benefit	Positive			Negative	Neutral	No Reaction	Total
	Statement	Check Mark	Total				
STAFF—The ability to maintain:							
a more adequate staff numerically .....	53	20	73	5	8	17	103
a higher calibre of staff .....	68	19	87	1	5	10	103
a more specialized use of staff .....	70	17	87	3	2	11	103
a more productive use of staff .....	52	13	65	3	10	25	103
ACCOMMODATION—Provision of better:							
work space for employees .....	37	18	55	14	12	22	103
amenities for staff .....	26	18	44	9	12	38	103
space for machinery and equipment .....	28	19	47	9	7	40	103
MACHINERY AND EQUIPMENT—Ability to:							
make more use of, on the job .....	40	24	64	1	4	34	103
use closer to full capacity .....	36	21	57	1	2	43	103
own or rent better forms of .....	37	19	56	—	2	45	103
own rather than rent .....	28	23	51	3	4	45	103
provide own maintenance .....	32	14	46	5	3	49	103
PURCHASING AND STORES							
Savings on purchases .....	43	18	61	5	6	31	103
Improved control .....	26	12	38	4	5	56	103
CAPITAL WORKS—Stronger support of service by:							
greater range of capital works .....	15	11	26	2	6	69	103
improved quality of capital works .....	8	11	19	3	5	76	103
fuller use of capital works .....	12	14	26	2	1	74	103
TOTAL .....	611	291	902	70	94	685	1,751



139. The next table classifies benefits of scale by function. Where the response has been both large and positive, the indication is that the particular function should benefit considerably through merger. On the basis of this analysis, some interesting contrasts show up. It would be false, however, to read too much into this evidence. At most, five persons have completed a questionnaire related to a particular function. In some cases fewer than five have replied. Since there were seventeen points to be dealt with on each questionnaire, a function for

which a total of eighty-five is shown indicates that the questionnaire was returned by five respondents, where the total is sixty-eight by four, and so forth. If a particular respondent was inclined to view the overall consequences of growth as uncertain or negative, his attitude might be reflected in as many as seventeen neutral or negative responses related to his own function. Taking account, therefore, of the limited number concerned with each service, it is indeed surprising that so few replies were in fact neutral or negative.

# RESPONSE TO QUESTIONNAIRE ON BENEFITS OF SCALE

## B—Classified by Function

Function	Positive			Negative	Neutral	No Reaction	Total
	Statement	Check Mark	Total				
Assessment .....	31	—	31	6	2	46	85
Treasury & Tax Collection .....	39	4	43	9	6	27	85
Clerk's Department .....	25	5	30	—	13	42	85
Legal Services .....	8	3	11	1	6	33	51
Personnel .....	17	2	19	—	4	45	68
Central Purchasing & Stores .....	45	—	45	—	5	18	68
Property Management & Acquisition .....	5	10	15	—	—	36	51
Police Protection .....	24	7	31	6	3	28	68
Fire Protection .....	45	2	47	—	—	38	85
Water Supply .....	31	11	42	13	7	6	68
Sewage Collection & Disposal .....	17	11	28	—	—	6	34
Storm Drainage .....	3	10	13	—	2	19	34
Road Construction & Maintenance .....	26	12	38	3	1	9	51
Sidewalk Construction & Maintenance .....	19	13	32	5	1	13	51
Street Cleaning & Flushing .....	13	17	30	—	1	20	51
Snow Removal & Winter Control .....	22	10	32	4	—	15	51
Garbage Collection & Disposal .....	20	16	36	—	—	32	68
Traffic Control .....	13	31	44	—	—	24	68
Public Transportation .....	17	28	45	1	2	20	68
Street Lighting .....	8	17	25	9	—	17	51
Off-Street Parking .....	—	9	9	—	—	8	17
Planning .....	14	7	21	8	6	33	68
Building Permits & Inspection .....	16	8	24	1	—	43	68
Electricity Supply .....	19	20	39	1	20	8	68
Parks .....	45	5	50	—	8	10	68
Recreation .....	29	1	30	—	2	19	51
Library Service .....	31	18	49	3	—	33	85
Public Welfare .....	6	5	11	—	—	23	34
Vehicle Equipment Maintenance & Storage .....	23	9	32	—	5	14	51
TOTAL .....	611	291	902	70	94	685	1,751

140. Although the prime purpose of the questionnaire was to disclose *benefits* of scale, the cities were not encouraged to indicate benefits of scale of which they were not in fact convinced. Quite specifically, each respondent was asked to describe disadvantages of which he was aware. Some of the negative comment indicating the perils of increasing size are worth recounting. Opinion differed, for one thing, on whether an increase in the size of the establishment would make it easier to maintain a more productive staff. The response of one works engineer was "not necessarily". The manager of a water department commented drily: "This is hard to prove." The treasurer of the same city responded cryptically, "not at all." He went on to say this: "Between 50,000 and 100,000 population, specialization of duties has to be considered which initially is more of a disadvantage than an advantage." The assessment commissioner of the same city, however, thought otherwise. He took the position that the larger operation enabled the municipality to maintain a more productive assessment staff as a consequence of the greater opportunity for specialization. But specialization itself was not always seen as an undiluted benefit. The treasurer of another city had this to say: "A more specialized use of staff can lead to disadvantage during sickness and vacations." Yet his point was directly refuted by several other respondents. Dealing with vehicle equipment maintenance and storage, the responsible department head in one city indicated that their greater size, by comparison with a city of 50,000, enabled them to maintain a more adequate staff, numerically. He added, however, that this was "not necessarily an economic advantage". Two treasury officials expressed the opinion that an increase in the scale of operations does not necessarily lead to improvements in accommodation. As growth proceeds, one noted, there is "a tendency to make the space do and thus to be cramped."

141. A further caution as to the potential benefits of scale came from the city treasurer who had questioned the applicability of this notion to his own departmental operation. He warned: "Bigness in itself does not necessarily breed greater efficiency. Indeed, as an organization gets bigger, the dangers and possibilities of inefficiency become greater." The point is well taken, for economies of scale can easily be missed if a civic administration

is not vigilant to retain and even strengthen its efficiency as it grows in size. On the other hand, the widening vista of service opportunities that are a by-product of increasing scale cannot so easily be lost. It is a poor administration indeed that fails to explore and take some advantage of its growing capacity to utilize new machinery and equipment and to add fresh professional skills to its manpower pool as an adjunct of its growth process.

142. The response to the questionnaires disclosed other interesting facts. For example, a majority of the cities concerned contract for garbage collection but all provide their own garbage disposal services. Likewise, in municipalities as large as 100,000 or thereabouts, a good deal of public works construction is still contracted out and even certain maintenance work. One of the five cities procures its legal services by contract from a local law firm. Thus cities of 100,000 regard themselves as small enough to benefit from contracting rather than providing all services for themselves.

143. From the comments set down on the completed questionnaires, it was evident that the majority of officials of the five cities were thoroughly convinced from their own experience of the benefits of scale. Such benefits, it would seem, are less reflected in improvements in accommodation or in capital budgeting opportunities than in staffing, the use of machinery and equipment and in purchasing and stores operations. With respect to machinery and equipment, there was widespread agreement that larger size permits the municipality to undertake its own repair and maintenance operations and that this arrangement is far more convenient and much less expensive than relying upon outside services. The potential is applicable to a wide range of functions including the public works operations, fire and police protection, garbage collection and disposal and parks and recreation. As one official put it "with good mechanics this shows a tremendous saving in costly wasted time".

144. On staffing, here are some of the favourable comments:

- Larger operation affords greater scope for staff transfers and promotions.
- Specialization results in higher productivity.
- The greater the staff, the greater the flexibility in periods of work overload.

- Easier to spot weaknesses and take corrective measures with larger staff.
- The larger you are, the easier to maintain staff because of better budgets.

145. It was evident that, in the replies from the five cities, benefits of scale were recognized among all the major departments of government. Some of the more informative comments are reproduced below.

*Clerk's Department*—We are able to assign special individuals to spend most of their time on special aspects of the work, for example, vital statistics and committee of adjustment.

- During time population more than doubled, office staff increased from three to five.
- The sharp increase in population has compelled an improvement to the administration through new and improved procedures.
- Can supply a number of central administrative services.

*Treasury*—50,000 population doesn't warrant electronic data processing equipment where 100,000 does.

*Police*—Merger of specialized fields such as the identification function would improve quality and undoubtedly decrease the cost.

*Fire*—A large department gives a better reserve in case of major and/or successive fires.

- Need for own maintenance staff because fire-fighting equipment is specialized.
- Specialized equipment can be maintained and repaired with least possible delay.
- Larger department can maintain permanent instructional staff and facilities.
- Both home inspections and familiarization inspections now possible in all buildings and areas.

*Roads and Sidewalks*—Better, more diversified equipment, better flow of equipment from job to job; more private contractors and equipment renters attracted to seek city contracts.

- More extensive specialization by using same basic corps of men and varying their duties to retain them on staff during slack season.

—Improved repair and maintenance facilities.

- Larger, more diversified fleet of machinery with workmen skilled in many fields lends itself to more efficient operation with resultant quality improvement.

*Street Cleaning*—City owns two street flushers, if one breaks down, the other can maintain service on an overtime basis. A smaller municipality with one flusher would be immobilized.

*Sewage Collection and Disposal*—Larger treatment plant does not require increase in operating staff proportional to increase in treatment capacity.

- Employment of lab technician and construction inspectors possible.

*Garbage Collection and Disposal*—Contemplating hiring a professional engineer specializing in waste disposal.

- Professional engineers specializing in this work are available to assist in the operation and updating of it.
- We are presently purchasing a sanitary landfill site land compactor specifically designed for this operation and justified by our increased population.

*Traffic Control*—A larger operation allows the division of staff into separate groups by function, thus providing more specialization and more efficient operation.

- Machinery is used a greater percentage of the time, thereby advantages of owning as opposed to renting.

*Transit*—Longer bus routes and rides require larger vehicles; more and better maintenance tools are warranted.

- Larger buses are more efficient and can be utilized fully on larger property.
- There would be some advantage in personnel—one general manager, one maintenance supervisor, one operations supervisor. However, it still takes one man to operate one bus.

*Street Lighting*—Doubling the size makes full use of staff rather than partial.

- Staff has not increased. More modern equipment used.



*Planning*—Can just maintain an adequate numerical staff at present population. Too small for continued need of specialists—thus use of consultants more economical and quicker.

- Larger staff can provide more specialization in assigning projects.
- Positions can be offered to more experienced applicants. Ability to pay salaries demanded by competent staff is difficult for small cities.

*Building Permits and Inspection*—Specialization is very important for efficient operation.

- Requirements for well staffed department include either a professional engineer or a registered architect backed by at least one and preferably two other professional men so that jointly they may cover and understand all the disciplines involved in the design and location of buildings. Under them, in two groups, architectural or engineering technologists and/or well experienced building inspectors—one group responsible for enforcement, the other for inspection of mechanical installations.
- Significant savings in building costs can result from design of smaller civic buildings by departmental staff.

*Electricity*—In a few cases, specialized equipment was purchased which would not otherwise be warranted.

- The larger utility has very many advantages. It has cut out operating costs per customer very markedly.
- Own maintenance—this definitely a very large saving.

*Parks and Recreation*—Have own garage, separate from other civic departments. We have enough machinery and equipment to warrant this.

- We can afford some specialists, but not to the degree that say Toronto or Montreal could.
- Radio communications can save many valuable hours and saving is effected by this means.

*Public Libraries*—There are many other advantages in serving a larger population than those indicated in the questionnaire.

—The Canadian Library Association standards for public libraries state that a population of 50,000 people is a minimum base for any kind of adequate library service.

- A larger population would enable the library to enlarge its reference sources, make greater variety of books and films available, and would enable the library to hire more professional librarians and offer a more complete service. Buying books in larger quantities enables the library to obtain higher discounts.
- Two copies of the same book could be catalogued once rather than twice.
- More opportunity for experience in a larger system, so will have better chance of attracting qualified librarians, of which there is a great shortage in Canada.
- Better distribution of work between clerical positions and professional.
- Small community cannot afford such equipment as Xerox, laminator, microfilm readers and machines used for charging out materials.
- It is more difficult in the larger system to obtain the more productive use of staff—however, if you have good staff you may obtain marvellous results.

*Legal*—The full-time solicitor is constantly available to staff members who might not make use of a solicitor retained on a fee for services basis. The full-time solicitor is fully and readily available to the elected representatives.

- There is no room for second-class service. Thus the cost of salaries, office space and library will dictate an irreducible minimum cost of operation.
- Better opportunity for specialization. Specialization would increase their rate of productivity.

*Personnel*—The personnel department has provided a central point for recruitment. It has eliminated charges of patronage or favouritism in hirings and has acted as professional advisor in labour negotiations.

- Unless the personnel and industrial relations functions of the total municipal operation are centralized, or at least co-ordinated by one agency, the resulting segmentation causes

employee relations to deteriorate and permits organized labour to play one body against the other.

*Central Purchasing and Stores*—Buyers, store-keepers and accountant are fully employed. In a small organization, they would probably have to do several jobs and probably be less efficient.

- The staff have been assigned a specific area and are somewhat removed from the office pool which has created an esprit de corps. Discipline improved substantially.
- The unit cost of warehousing a large inventory is less than a small.
- There is also a saving in freight charges.
- A central warehouse is economically practical in a large organization and results in better control. Stores should not be administered by a using department.
- Machinery (automation) is only warranted if the stores operation becomes large enough to offset the cost of machinery by savings in labour. Saskatoon reached this point in 1966 and our stores operation is automated.

#### FULL OR PART MERGER

146. In order to elicit local opinion, the Review issued a Statement of Alternatives that included a federated or two-level system of government. This option was favoured by a number of persons who accepted the desirability of unifying certain public services, at least throughout the two cities, but who hesitated to back a twin city amalgamation. The Lakehead teachers, for example, thought that school services could in part be merged and in part left under separate jurisdictions. The Fort William City Council put in a brief for discussion without committing the members to its terms: the brief proposed a federation and some councillors indicated personal support for such an arrangement. Hence, the consequences of establishing a metropolitan federation for the Lakehead should be clearly recognized by the proponents of this plan.

147. At the present time a number of local government services are being operated throughout much wider territories than the Lakehead metropolis. Among such services are health, homes for the aged, child welfare and, most recently, assess-

ment. If district services should be continued and co-ordinated, the formation of a Lakehead federation would necessitate either the withdrawal of the Lakehead area from participation in district services or the establishment of a three-level structure of local government. Such an arrangement has not been permitted to develop elsewhere in the Province. When the Municipality of Metropolitan Toronto was created, Metro took over services formerly provided by the county throughout the twelve suburbs and thus avoided entering upon a three-level local government system. Joint arrangements were of course made with the county for suburban roads and for administration of justice, the latter a local responsibility that will soon come to an end.

148. The Lakehead metropolitan area is certainly large enough in population to provide health, welfare or assessment services without including population elsewhere in the district. Yet that is but one side of the coin. Without the Lakehead, the rest of the District would find the service potential afforded by a larger unit of administration seriously weakened. Its only alternative means of procuring services that benefit from mechanization and professional specialization would be either by contract from the Lakehead, as put forward in the Report of the Ontario Committee on Taxation<sup>16</sup> or by becoming outposts of other larger units to the east and west.

149. A parallel to the contract method of obtaining local government services lies in the school jurisdiction without a school. The Department of Education permitted a number of high school districts and elementary school jurisdictions to procure services in this manner. The device was recognized as an inferior alternative to the larger unit capable of operating its own school system and, as of January 1, 1969, it will find little place in the school system. Likewise, the Ontario Committee on Taxation has acknowledged that it is preferable to include territories within operating units of regional government wherever this can be accomplished and the criteria for maintenance of suitable units of government can be met.

150. The Report of the Ontario Committee on Taxation also considers the number of levels of

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<sup>16</sup>Volume II, Chapter 23, Page 536 et seq.

local government that might be deemed tolerable within an acceptable system of local government. On this point, the Committee's opinion is as follows:

It may well be that the ideal to be pursued . . . is a single such level. But with due regard to both theoretical and practical considerations, we have formed the opinion that in most circumstances two levels of government can be both manageable and appropriate to current service needs.<sup>17</sup>

The position taken on this question by the Ontario Committee on Taxation is fully endorsed by this Review including the supporting argument formulated by the Committee.

## LOCAL GOVERNMENT FINANCING

151. When changes are made in local government boundaries, they produce financial consequences for the ratepayers that may take a number of different forms. For some, general municipal taxes may go up; for others down. School taxes will likewise change but may change differently. If local improvement policies have differed between the municipalities or part municipalities involved in the merger, a new uniform policy may be expected although existing local improvement agreements will presumably be permitted to run their course. If, by what are called area charges, additional taxes have been imposed within certain parts of a municipality for particular services, the merger is likely to alter the pattern and create financial repercussions for some. Again, between former municipalities entering upon a merger, there may be differences in rates for water or electricity, in transit fares or in other charges imposed by revenue-earning enterprises. Probably uniform rates will be extended across the whole of the larger municipality, with the result that some will pay more and others less.

152. A new consolidated municipality will presumably eliminate most differences in service programs. The level of spending on each service will tend towards an average position, subject to two qualifications. First, there may be pressure upon

the new municipality to bring services up to the highest standard that has prevailed in any part of its territory rather than to hold costs to either an average or minimum level of spending. Second, the enlarged municipality may realize some economies of scale, provided these are not offset by improvements in service made possible by the larger scale of operations.

153. The extent of outstanding debt for which each municipality is responsible at the time of the merger will doubtless differ and will produce an overall debt burden that is heavier for some and lighter for others. Finally, over and above the change in local taxable capacity, debt and spending programs, there may be changes in the level of grants or payments from the Province for which the new municipality will qualify by comparison with the levels that applied within the former municipalities. The action on the Report of the Ontario Committee on Taxation could indeed transform the financial transactions of municipal and school authorities beyond recognition. In short, the financial consequences of a merger are complex and far-reaching and incapable of precise measurement.

## FINANCIAL PREDICTIONS

154. It must be recognized that the financial consequences of boundary changes will take effect along with other changes in municipal and school financing that occur year after year, as the by-product of community growth, as the result of revisions in the accepted community service standards, as a consequence of new provincial grant policies and so forth. Evidence as to the financial consequences is usually presented at Municipal Board hearings on proposed boundary changes. Ordinarily such evidence will take the form of a theoretical or notional statement that attempts to set forth the changes consequent upon the merger while ignoring other on-going changes in municipal and school financing.

155. At the hearing that resulted in the substantial enlargement of the City of Windsor, effective January 1, 1966, the accuracy of the predicted financial consequences of earlier large-scale annexations or amalgamations was questioned by one of the contending parties. The Municipal Board Chairman expressed concern if, as asserted,

<sup>17</sup>Volume II, Chapter 23. The subject is dealt with on pp. 504-507. The quotation is from paragraph 38, page 507.



financial evidence placed before the Board in earlier hearings had not been substantiated. The Chairman proposed to review this aspect of previous Municipal Board hearings. If, however, such a review has taken place, the results have not been made public.

156. From all that has been said, it should be plain that predictions of the financial consequences of boundary changes are not easy, may not be entirely accurate and cannot readily be related to the new financial circumstances that in fact emerge after the boundary changes have taken place.

157. To carry out an exhaustive analysis of the financial effects of various changes that might be recommended for the Lakehead area would be a long and complicated task, much beyond the scope of this Review. Consideration has been given, however, to the anticipated financial impact of the most likely forms of change. A statement in fairly general terms will, it is believed, be sufficient to show the people of the Lakehead what a merger would mean in essence.

158. The financial consequences of change will be discussed in terms of complete merger of stated territories. The reason is merely that this has been the simplest form of change to present. Creation of a metropolitan federation linking the twin cities, Shuniah and Neebing would have similar consequences but of lesser proportions. A federation including Paipoonge would not be greatly

different because Paipoonge constitutes a small part of the total Lakehead area and has no dowry to bring into a merger. The financial effects of federation could, of course, vary tremendously depending upon the particular services that were consolidated, in whole or in part.

#### TAXABLE CAPACITY

159. A table has been prepared to show total taxable assessment of the five sponsoring municipalities equalized by applying the equalization factors developed by the Assessment Branch of the Department of Municipal Affairs. An indication of the comparative strength of the tax base in each municipality is afforded by showing the proportion of the assessment attributable to residential properties. The remainder is the amount by which the tax base is strengthened through active commercial and industrial properties. The residential total includes assessments on farms and on summer cottage properties. To complete the analysis, both residential and total equalized assessments are expressed in per capita terms.

160. In the same table, the assessment information is also broken down to separate Neebing Township from the remainder of the Municipality of Neebing, and McIntyre Township from the remainder of Shuniah. This information is followed by combined assessment figures for the two cities and then for the two cities and the Townships of McIntyre and Neebing.

ASSESSMENTS FOR 1967 TAXATION—LAKEHEAD AREA  
Equalized Using Provincial Factors

	Amount (Thousands of Dollars)		Per Capita (Dollars)	
	Residential	Total	Residential	Total
	\$	\$	\$	\$
City of Fort William .....	147,830	305,320	3,082	6,366
City of Port Arthur .....	131,205	294,571	2,828	6,350
Municipality of Neebing .....	10,594	32,713	2,739	8,457
Municipality of Shuniah .....	19,867	26,306	3,431	4,543
Township of Paipoonge .....	6,391	6,865	3,195	3,432
Neebing Township .....	8,615	30,454	2,509	8,871
Remainder of Neebing .....	1,979	2,259	4,550	5,194
McIntyre Township .....	11,059	13,032	2,371	2,794
Remainder of Shuniah .....	8,808	13,274	7,816	11,778
Twin Cities .....	279,035	599,891	2,957	6,358
Twin Cities, Neebing & McIntyre Townships .....	298,709	643,377	2,916	6,280

Prepared by the Review from Provincial and Municipal Sources.

161. The information with respect to assessment reveals first of all that the relative positions of Fort William and Port Arthur are very close indeed. The average worth of the residential properties per capita is slightly higher in Fort William but this difference is almost precisely overcome in Port Arthur by a slightly stronger buttressing of commercial and industrial assessments.

162. Combined figures for the twin cities show that total taxable assessment per capita, as equalized, would not be changed significantly from the positions of the individual cities. If a Lakehead merger should occur, however, it might be expected to include, in addition to the twin cities, substantial portions of the Township of McIntyre and the Township of Neebing. The resulting position is expressed with sufficient accuracy by the final figures in the table. The tax strength of such a municipal entity would differ only slightly from that of either twin city.

163. In the event of a Lakehead merger, the financial capacity of the residual portions of Neebing and Shuniah would be a matter of some concern. In Neebing's case, the territory that might be left outside a consolidated urban municipality would have a small amount of taxable assessment

in total and this might create a problem. On the other hand, when expressed in per capita terms, the position of the remainder of Neebing would be considerably stronger than that of the Township of Paipoonge, a municipality that has operated on its own for sixty-four years. The residual portion of Shuniah would be in a much more favourable situation again. Its total equalized assessment would be nearly double that of Paipoonge whereas its equalized assessment per capita would be very strong—more than double that of the residual portion of Neebing and more than three times that of Paipoonge.

#### UTILITY RATES

164. Next, the position of utility rates is considered. First, it is understood that transit fares are maintained at the same level in the two cities. A comparison has also been made of electric rates in Port Arthur and Fort William. Water rates are not a very significant item and comparative information has not therefore been procured.

165. On electric rates, Port Arthur once again presents a less favourable comparative position. At the end of December, 1966, the following were comparative figures:

#### COST OF ELECTRICITY AT THE LAKEHEAD, DECEMBER 31, 1966

	Fort William	Port Arthur
<i>For residential service</i>		
Minimum Monthly Charge Gross .....	\$ .83	\$2.00
Net Monthly Bill for 250 Kilowatt Hours .....	\$2.45	\$3.96
Net Monthly Bill for 500 Kilowatt Hours .....	\$4.25	\$5.31
Net Monthly Bill for 750 Kilowatt Hours .....	\$6.05	\$6.66
<i>For commercial service</i>		
Net Monthly Bill for Use of One Kilowatt of Demand—200 hours	\$2.52	\$2.97
Net Monthly Bill for Use of One Kilowatt of Demand—300 hours	\$2.88	\$3.42
<i>For industrial power service</i>		
Net Monthly Bill for Use of One Kilowatt of Demand—200 hours	\$2.23	\$2.52
Net Monthly Bill for Use of One Kilowatt of Demand—300 hours	\$2.53	\$2.82

Source: 1966 Annual Report, The Hydro-Electric Power Commission of Ontario.

## DEBT

166. A table is included to show the relative weight of debt among the four municipalities that might be involved in whole or in part in a Lakehead merger. Here again Port Arthur is more heavily burdened than Fort William. The extent of the difference is not great, however, bearing in mind the length of term over which repayment of the existing debt outstanding will be staged. Furthermore, close to half the difference is accounted for

by increased indebtedness for which a source of payment other than taxes exists.

167. In the same table, the net debenture debt for both Neebing and Shuniah is seen to be small by comparison with the debt position of the twin cities. An important reason for the difference is, of course, the lack of full services in the suburbs. In presenting debenture debt data, a noteworthy fact is that the extent of debt outstanding is reasonable in all four municipalities.

LAKEHEAD DEBT COMPARISON, DECEMBER 31, 1966

	Net Debenture Debt		Portion Repayable From Other Than Taxes	
	Amount	Per Capita	Local	Utilities
			Improvement Owner's Share	and Other Enterprises
	\$ '000	\$	\$ '000	\$ '000
Fort William	13,208	275	1,470	1,240
Port Arthur	14,780	319	1,529	1,872
Neebing	266	69	nil	nil
Shuniah	314	54	nil	nil

Source: 1966 Annual Report of Municipal Statistics and Neebing Audited Financial Statement.

## SPENDING LEVELS

168. Finally, two tabulations have been prepared to show the comparative levels of spending in Fort William and Port Arthur. The tax levy comparison for 1966 reveals that Port Arthur was levying \$167 per capita in property taxes and miscellaneous charges on the roll whereas Fort William was levying only \$156 per capita. The difference was more than accounted for by a substantially higher level of school expenditures in Port Arthur. Where Fort William spent approximately \$2.8 million for school purposes, Port Arthur spent \$3½ million. In the next small table, a mill rate comparison between the cities has been

developed with the help of the provincial assessment equalization factors. On this basis, all classes of taxpayers in Port Arthur were subject to appreciably heavier mill rates than taxpayers of Fort William. In particular, separate school supporters in Port Arthur were taxed approximately ten per cent more heavily than separate school supporters in Fort William. In presenting these mill rate comparisons, it should be recognized that the provincial equalization that is used to accomplish the adjustment is an approximate figure only. Consequently, the adjusted figures provide a form of comparison which is not precisely accurate, although the best available.



### TWIN CITY TAX LEVY COMPARISON, 1966

	General Municipal Purposes	School Purposes	Local Improve- ments (Owners' Share)	Total Taxation Revenue	Miscel- laneous Charges on Roll	Total	Per Capita
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$
Fort William	4,336	2,803	253	7,392	68	7,460	156
Port Arthur	4,125	3,336	290	7,751	17	7,768	167

Source: 1966 Annual Report of Municipal Statistics.

### TWIN CITY MILL RATE COMPARISON, 1966 (Port Arthur Mill Rates Adjusted to Fort William Assessment Level)

	Residential Rates		Commercial Rates	
	Public School Supporters	Separate School Supporters	Public School Supporters	Separate School Supporters
Fort William (Actual)	93.75	93.75	101.75	101.75
Port Arthur (Adjusted)	96.67	100.90	106.94	111.77

Prepared by the Review from Provincial Sources.

169. The financial analysis discloses significant differences in spending levels between the two cities. It does not establish, however, the relative merits of each city's position. Is Port Arthur spending too much, or is Fort William spending too little? Underspending is by no means unheard of in local government. Are the differences a consequence of service programs that Port Arthur's citizens have supported but that Fort William's citizens do not want? One thing is clear. Merger would put the responsibility for deciding future service programs and levels squarely upon the shoulders of the newly constituted council and school boards.

#### CHANGES IN GRANT SUPPORT

170. A merger of the twin cities, with or without the addition of territories from Shuniah and Neebing would produce some changes in provincial grants. The position has changed very considerably in recent years, however, until today no sharp

alteration in provincial grants or payments would result.

171. The Foundation Grant Plan for school services is designed to stabilize the level of grant payments to an area in which annexation or amalgamation occurs. One way in which this has been accomplished has been by greatly enlarging the proportion of school grant assistance that is calculated according to the number of pupils. The Port Arthur Separate School Board went to the trouble of obtaining an estimate of the probable grant changes resulting from a merger of the separate school jurisdictions throughout the metropolitan area. The figures they procured indicated that the change would probably produce a small increase in grants. The Review has not procured similar data with respect to the remaining schools because it now appears certain that one board of education encompassing much more than the Lakehead will be established effective January 1, 1969 regardless of the Review recommendations.

172. A Lakehead merger including parts of Shuniah and Neebing would result in a reduction in road grants with respect to the former township areas. Not only would the basic rate of support on construction and maintenance shrink from half to one-third of the cost: no roads could be classed as development roads on which the Province could pay the entire cost of improvements; and all provincial highways would become connecting links that the municipalities must maintain. This problem is one of some concern in light of the trend towards creation of quite large municipalities containing substantial territory beyond the built-up urban area and divided for tax purposes into an urban service area and a remaining non-urban area.

173. The saving grace on road grants is provided by the Municipal Subsidies Adjustment Act. It ensures that grants will be payable on the same basis for five years and the changes will then be phased in over the succeeding five years. Meanwhile, if the proposal of the Ontario Committee on Taxation should be acted on calling for a completely new road grant formula any loss in grants through merger would be of no effect. The change in status of King's highways would, however, occur immediately.

174. Finally, a Lakehead merger would result in a significant increase in the unconditional per capita grant payments to the area. A gain of at least \$35,000 per annum could be anticipated. Other important provincial grants would remain unaffected by the change.

#### **RECAP**

175. Summarizing, the average taxable capacity of residents of Fort William is stronger than that of residents of Port Arthur, although the total taxable capacity is much the same. Port Arthur has a somewhat greater weight of debt, and charges more for electricity to all classes of users. In consequence, Port Arthur would benefit in some degree financially from a Lakehead merger at the expense

of Fort William. The difference is not great however and, in the opinion of the Review, is far from sufficient to constitute a major obstacle to merger, presuming non-monetary benefits indicate the merit of taking such a step. If the twin cities are regarded as parts of a common community, merger must be regarded as a move in the direction of equalizing financial capacities and of consolidating financial resources in support of common objectives. A prime responsibility of the new council and school boards would be to analyse the present differences in levels of spending between the twin cities and to determine the desirable level of spending for the consolidated area. Lastly, the problem that used to be posed by provincial grant losses resulting from merger is no longer a matter of very serious consequence, although higher road costs could result.

#### **EXEMPT PROPERTIES**

176. But there are other crucial elements in an analysis of the financial effects of merger that still require attention. First, there is the matter of tax exempt property.

177. The relative positions of Port Arthur and Fort William on tax exempt property are a matter of some consequence. The following tabulation converts the assessed value of such properties to the same equalized basis used for taxable properties. While the total exempt properties are not greatly different, the breakdown reveals some sharp contrasts. If Crown properties eligible for payments-in-lieu of taxes and local government properties are deducted from the totals, the remainder for Fort William is a little more than \$9 million whereas that for Port Arthur is almost \$40 million. If the recommendations of the Ontario Committee on Taxation relating to exempt properties should be adopted, Port Arthur would realize very much more in new tax revenues than Fort William. This one change would much more than offset the small advantage in taxable capacity enjoyed by Fort William over Port Arthur.

TWIN CITY REAL PROPERTY EXEMPT FROM 1967 TAXATION  
Equalized Using Provincial Factors

	Port Arthur \$ '000	Fort William \$ '000
<i>Eligible for Payments-in-Lieu</i>		
Federal .....	2,377	2,604
Provincial .....	2,447	3,479
<i>Other Crown Property</i>		
Federal .....	5,323	2,125
Provincial .....	8,573	50
<i>Local Government Property</i> .....	34,293	61,204
<i>Property of Religious, Philanthropic or Charitable Organizations and Other Exempt Property</i> .....	25,897	7,137
<b>TOTAL</b> .....	78,910	76,599

Source: Department of Municipal Affairs Assessment Returns for 1967 Taxation.

178. The Municipality of Shuniah has a new financial problem arising from the inter-city location of part of McIntyre Township. Shuniah's land is attracting institutional uses where the institutions are tax exempt. Lakehead University has bought large acreages in Shuniah. The proposed site for Confederation College is within Shuniah. As a consequence of these developments, the Municipality of Shuniah prepared and submitted a protest to the Provincial Minister of Education. It pointed out that Lakehead University had acquired 266 acres of land within Shuniah in addition to its property in Port Arthur and that Confederation College was proposing to occupy a separate site of forty-eight acres. Shuniah did not advocate a specific solution to its problem of tax exempt properties. It proposed that an independent board of inquiry study the situation and make suitable recommendations to the Minister.

#### SUBURBAN CONTRAST

179. The additions of territory from Shuniah and from Neebing to a Lakehead metropolis would have sharply differing financial consequences. For the entire Township of McIntyre, the equalized assessment per capita amounts to \$2,794 compared with \$6,358 as the twin city average or \$6,350 for

Port Arthur. If a smaller territory than the whole Township of McIntyre were to be annexed, it is perfectly clear from the Review's knowledge of the area that the equalized assessment per capita in the annexation area would be even less favourable. In Neebing's case, the equalized assessment of the Township of Neebing is remarkably large—\$8,871. Its taxable capacity per capita is considerably more than three times that of McIntyre and substantially greater than the twin cities. In short, an annexation from Shuniah would carry with it a serious financial loss; an annexation from Neebing would bring a considerable financial advantage.

180. The great strength of Neebing's assessment lies in two properties—that portion of the Great Lakes Paper Company Limited property within Neebing and, to a much smaller extent, the new plant of the Dow Chemical Company Limited. The worth of these properties has increased through the construction of the Great Lakes Paper Company's new kraft mill and the completion of the Dow Chemical plant, a comparatively recent undertaking. The latest assessed values obtained by the Review covering both properties placed the combined total in excess of \$6 million. If this local assessment is converted to a provincial equalized figure, it amounts to \$22½ million.



181. Both Neebing and Shuniah have been operating with each of their wards as a separate taxing and budget area. At the hearings, a brief from some citizens in McGregor Township, which is in Shuniah, expressed the opinion that McGregor and McTavish Townships were being asked to contribute an undue share of the overhead costs of Shuniah's administration. Conversations with a Neebing official revealed that the municipality had abandoned the strict observance of the ward divisions of revenues and expenditures; subsequently authorization of the change was obtained by private bill effective January 1, 1968.

182. At the Review hearings and in private conversations, the notably favourable financial position of the Municipality of Neebing was discussed. Officials of Neebing indicated a feeling of responsibility to help their own outer townships through the tax resources of the north Neebing ward. They did not, however, express any altruistic sentiments insofar as the remainder of the Lakehead metropolitan area was concerned.

183. In one conversation, it was suggested that the tax advantage enjoyed by the Great Lakes Paper Company Limited through its Neebing location might be compared to a fixed assessment such as many Canadian paper mills have obtained. The question this raises is the equity of tax treatment of the Great Lakes Paper Company by comparison with the other paper mills whose properties are located within Fort William or Port Arthur.

184. The extreme financial positions of McIntyre and Neebing Townships create problems. Port Arthur considered annexing territory from Shuniah and decided not to proceed because a financial report indicated that a significant increase in taxes would result. An increase of 1.7 mills was predicted in relation to the portion of Shuniah proposed for annexation. Port Arthur was not prepared to go ahead and could hardly be expected to take such a step voluntarily in the absence of clearly identifiable offsetting financial changes. From the viewpoint of tax advantage, Fort William would certainly be delighted to annex Neebing Township or at least its north ward. But such a move would doubtless be branded a tax grab and would be very strongly resisted by Neebing.

185. Enlargement of the two cities separately appears virtually impossible of achievement. Mer-

ger of the two cities and enlargement to take in portions of Shuniah and Neebing has more prospect of acceptance because it would bring both the good and the bad, in financial terms, into the same city.

## **PUBLIC ATTITUDES**

186. The importance of public attitudes to local government change can scarcely be over-emphasized as a part of the Lakehead Local Government Review. This aspect of the study is perhaps the most difficult to define, the most likely cause of misunderstanding and yet the most dangerous to ignore. It has been considered conscientiously and will be dealt with thoroughly in this report.

## **THE COMMISSIONER'S RESPONSIBILITY**

187. An understanding of local attitudes and opinions has from the outset been accepted by the Commissioner as a basic ingredient of the Review process. During the public hearings those in attendance were told that the Lakehead report would differ from a mail order catalogue in at least two important respects. First, it would not be selling opinions from out of town: changes must make sense from the local point of view and must have an indigenous quality. Second, the recommendations put forward in the report could not be expected to sell themselves: their eventual adoption was seen as dependent upon local endorsement.

188. The Review hearings were carefully publicized beforehand and were open to both press and public. At the opening, those in attendance were reminded that the hearings were being held in public and taken down verbatim to enable responsible community leaders to go on record for the objects they hold dear, in their own time and for the future. Plenty of opportunity was provided too for correction and rebuttal of both written and verbal submissions. Consequently the opinions put forward in submissions to the Review have been given much weight in deciding Review recommendations.

## **MEASUREMENT OF THE SUBMISSIONS**

### *Local Authorities*

189. It is not easy to summarize the precise positions taken by organizations and individuals that made submissions to the Lakehead Local Government Review. To a degree, opinion was

directed by the statement of alternatives issued at the outset of the Review. At that stage, the range of reasonable alternatives for the Lakehead could neither be explored fully nor presented in an entirely balanced manner. Furthermore, the selection of the most suitable governmental arrangements also depends upon proper recognition of certain technical requirements. It was not surprising, therefore, that some submissions opted for a particular form of change without a full understanding of its implications and that other bodies or individuals presenting their views were hesitant to declare themselves in favour of any suggested alternative.

190. Among the municipal submissions it is significant that the City of Port Arthur, with the unanimous backing of its Council and the full support of its Board of Education, Separate School Board and Parks and Recreation Committee came out strongly in favour of a full merger of the twin cities and the adjacent urban areas as a new Lakehead city. By contrast, the City of Fort William presented a brief proposing a metropolitan federation covering the Lakehead urban area.

191. The Fort William proposal was part of a joint submission from the Planning Board and Council. The Planning Board went on record in favour of the brief but the Council merely endorsed it as a document to be put forward for discussion purposes. When the brief was discussed at the hearing varying shades of opinion were apparent, ranging from the written brief put in by one Fort William alderman in favour of full merger of the Lakehead metropolitan area to the verbal comment of some who seemed reluctant to accept any very significant departure from the status quo. In the Fort William submission, an expansion of each city was proposed to take in the urban and urbanizing portions of Shuniah and Neebing. None of the Fort William Council took exception to this proposal at the hearing.

192. During the hearings, attention was focussed upon the absence of any submission from the Fort William Board of Education. The Board was thereupon urged to state its views following the hearings whether in the form of its own proposals or as rebuttal of positions taken by others. Nothing was forthcoming.

193. Both Neebing and Paipoonge took a stand against major changes. One of the spokesmen for Neebing did agree that, after a lengthy period of education of the inhabitants, amalgamation might be a more productive means of solving urban service problems than federation. Apparently he considered neither form of change urgent.

194. The Municipality of Shuniah put in a submission in favour of a two-tier system of metropolitan government embracing the five sponsoring municipalities that might either be classified as a centralist form of federation or an administrative district system. Within such a structure, Shuniah was prepared to support the transfer to Port Arthur of some three thousand acres of land from McIntyre Township.

#### *Voluntary Organizations*

195. A number of key organizations came out in favour of full merger of the Lakehead metropolitan area. Taking the lead was the recently organized Lakehead Chamber of Commerce with a 1967 membership covering 1,140 individual members speaking for 803 business or professional concerns. Its position had been endorsed by the membership and had been strongly maintained over time. The Fort William-Port Arthur and District Labour Council representing more than ten thousand workers or some eighty per cent of organized labour in the area declared itself in favour of full merger in a submission that left no doubt of the Council's stand. The position the Council took was a well-established one, said to be backed by ninety per cent of the member unions. The brief had been prepared on the instruction of a membership meeting. The Lakehead Social Planning Council, with unanimous backing from a membership meeting, favoured full merger. Other organizations backing this degree of change included the Evangelism and Social Services Committee of the United Church and the Lakehead Branch of the Community Planning Association of Canada.

196. But all organizations were not of quite the same mind. The Lakehead University in its submission was prepared to support either formation of an administrative district similar to that recommended for the Ottawa area by an earlier Review or full merger. The Downtown Fort

William Retail and Business Association indicated a lack of accord among its sixty-three member businesses as to a desirable form of change. Their members were in agreement, however, that retention of the status quo or something closely akin to it would not be satisfactory. Without defining a position on governmental arrangements for the metropolis, the Lakehead Planning Board brief gave a clear indication that the status quo was not acceptable and that some degree of merger ought therefore to be effected. The Lakehead teachers, through their committee on municipal reorganization, took a stand in favour of metropolitan federation. The force of their written submission was considerably weakened, however, by their supplementary verbal submission in which their use of three published sources failed to stand up to detailed scrutiny by the Review following the hearings.

#### *Individuals*

197. Eleven submissions were made to the Review by individuals, of which two were private written submissions, five were public written submissions backed by oral presentation and the remaining four were confined to oral presentations at the hearings. One submission by an individual dealt solely with the future of child welfare services and a second with public library services. In the latter case, however, the oral submission included a general statement on the future governmental requirements for the Lakehead. Among the eight pertinent public submissions by individuals, therefore, the position was as follows: one favoured the status quo; another supported retention of the twin cities with annexations to each; two wished a twin city amalgamation but were opposed to any enlargement of city boundaries into the suburban areas; four gave their support to full merger of the Lakehead urban area. Lastly, of the two private submissions, one backed the status quo and the other full merger.

#### **PRIVATE OPINION**

198. The Commissioner also met privately with more than a score of prominent citizens of the Lakehead in order to discover their interest in the Review and their attitudes to governmental change. In casual conversation, the Commissioner had encountered persistent murmurings of oppo-

sition to full merger despite its extensive municipal and organizational backing. Hence the private meetings were deemed important. The attitudes revealed by such meetings were again surprising. In private, the support for full merger was at least two to one.

#### **SUBURBAN CONCLAVES**

199. The submission by the Municipality of Neebing referred to the formulation of opinion after meetings with representatives of the other rural municipalities. Inquiry disclosed that the three rural municipalities supporting the Review had met formally on several occasions for that purpose. While the Review was in progress, it was learned also that the seven suburban municipalities surrounding the twin cities held periodic meetings. Thus there has been some tendency for the suburbs to seek to identify mutual areas of interest distinct from those of the twin cities.

#### **EDUCATION CENTRE**

200. Reference has already been made to the efforts to establish an education centre at the Lakehead, to the encouragement offered by the Provincial Department of Education provided the Boards of Education of both cities became participants, and to the failure of the scheme when the Review was just beginning.

201. Apparently the physical location of a centre building was a matter of considerable sensitivity. It happens that the open land between the built-up areas of the two cities lies almost entirely within Port Arthur or Shuniah. To concentrate institutional properties that are designed to serve the whole Lakehead community in Port Arthur would seem to give rise to jealousy by Fort William. Lakehead University is partly in Port Arthur and partly in Shuniah in a location that favours Port Arthur. Fort William school officials seemed determined that an education centre would have a Fort William location. An area-wide project with provincial support was sacrificed on the grounds of urgency to obtain larger quarters, a position of which this Review Commissioner remained unconvinced since, at the time, the third floor of the Fort William School Board building was tenant-occupied.

202. When the problem arose of procuring a location for Confederation College, undue concern



appeared to develop as to the proximity of the site to Fort William or Port Arthur. Alternative sites considered included land abutting the Lakehead University campus, the Exhibition grounds, a commanding location adjacent to Port Arthur's Boulevard Lake and land on Edward Street close to Fort William's Chapple Park. This last site was chosen.

203. An interesting footnote to this kind of sensitivity was the use in Shuniah's submission to the Minister of Education of the expression "neutral ground accessible to both cities" as its way of describing the locations chosen for the University and for Confederation College. It does indeed seem surprising that such a term as "neutral ground" was employed in a serious statement to the Provincial Minister.

#### MEN OF COMMERCE

204. The Lakehead Chamber of Commerce has proven without doubt the most aggressive promoter of a Lakehead merger. When the Lakehead Chamber was formed, it built a new headquarters as close to the boundary between the two cities as possible. The Review was told that at one time the Chamber had hoped to construct a building straddling the line. For the initial months in the new location, the new organization maintained two telephone lines, one a Port Arthur and the other a Fort William number. Three years later, the notepaper still carries two mailing addresses—P.O. Box 2000, Fort William and P.O. Box 2000, Port Arthur. The location is indicated as Intercity Boundary, May and Memorial Avenue. Like John Gilpin, preparing for his ride, everything possible has been done "to keep the balance true".

205. The extremely circumspect manner in which the Lakehead Chamber has acknowledged the joint interest of the twin cities in its affairs contrasts sharply with the determined manner in which the organization has spoken out for full merger of the two cities and the adjacent urban areas. On the occasion of the Chamber's third annual meeting in January, 1967, with, as one newspaper put it, more than 450 people literally squeezed into the Lakehead University banquet hall, both the outgoing and incoming presidents stressed a Lakehead merger as the number one

goal of the Chamber. Not a single word was said to indicate divergence of individual members from this objective. Yet there were present members of the Chamber who showed privately their lack of support for the official position.

206. The Review is bound to take note of some lack of support within the Chamber for its declared position before the Review. In pondering on the subject, a quotation from an address of some years ago comes to mind: "Private opinion is of no value until it becomes public opinion—and then it is of great force."<sup>18</sup> At the moment, the visible opinion of the Chamber gives complete backing to full merger. But, following the recommendation of such a step by the Review, private opposition could blossom forth as a public obstacle to change.

#### THE FOURTH ESTATE

207. There are two daily newspapers at the Lakehead, the Fort William Times Journal and the Port Arthur News Chronicle. Each is said to be a Thomson paper now and for several years past. The two dailies have taken a continuing stand editorially against the amalgamation of the twin cities. Beyond opposing this particular step, the two papers would seem in some ways to constitute a continuing divisive force within the Lakehead community.

208. At a very early stage of the inquiry, the position was put to the Commissioner thus: It is not possible to obtain home delivery of the Fort William daily paper in Port Arthur or of the Port Arthur paper in Fort William. An advertiser from one municipality in the newspaper of the other can obtain a copy which will be delivered to his place of business by taxi. Copies of the dailies from the other city are on sale in the major hotels but not on the streets.

209. To substantiate or refute the extreme position thus suggested, the Review procured audited circulation figures for the two daily newspapers throughout the District of Thunder Bay for the year ending March 31, 1966. The numbers speak for themselves.

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<sup>18</sup>From an address by Bert Zuver, Assessment Commissioner, Des Moines, Iowa.

*Fort William Times-Journal*

Within the City of Fort William .....	11,704
Fort William Rural Routes .....	941
Vickers Heights .....	182
Sub Total .....	12,827
Within the City of Port Arthur .....	246
Sub Total .....	13,073
Kakabeka Falls .....	153
Red Rock and Beyond .....	2,096
Total, Thunder Bay District .....	15,322

*Port Arthur News-Chronicle*

Within the City of Port Arthur .....	10,894
Port Arthur Rural Routes .....	884
Sub Total .....	11,778
Within the City of Fort William .....	172
Sub Total .....	11,950
Kaministikwia .....	96
Kakabeka Falls .....	46
Red Rock and Beyond .....	2,048
Total, Thunder Bay District .....	14,140

210. Generally, the news coverage in each paper would seem to emphasize the happenings within the paper's own city. Should a Lakehead merger take place, the position of the two daily papers on circulation and news coverage would no longer be tolerable. The further question is how well their policies serve the public interest even now.

211. Radio and television stations complement and compete with the daily newspapers in keeping the public informed and in presenting people with editorial opinions. The two sets of influences are not identical. A community cannot be said to be adequately served without good coverage from both.

212. If a desire to live apart is the reason for the sharply separated newspaper coverage of the twin cities, one might expect a somewhat similar pattern of radio coverage. The Review procured Bureau of Broadcast Measurement figures on radio and television reception within the two cities.

Estimates are presented based upon a survey for the period March 6th to 19th inclusive, 1967. The contrast in inter-city coverage of radio and television stations by comparison with the daily newspapers is sharp enough here again to tell its own story.

*Percentage of Persons in Each City  
Tuned Once or Oftener During Survey Period*

Radio	Port Arthur	Fort William
CJLX	44	63
CFPA	33	30
CKPR	59	57
CKPR-FM	11	3
Television		
CKPR	90	95

**EARLIER ATTEMPTS TO AMALGAMATE**

213. At the city elections in December, 1958, both Fort William and Port Arthur held referendum votes on the question of amalgamation. The wording on the ballots was simple, direct and identical except for the order in which the names of the cities appeared: "Are you in favour of the amalgamation of the City of Fort William and the City of Port Arthur as one city?" The vote in Fort William happened to take place one week earlier than in Port Arthur. The result was 4,209 in favour and 6,827 against. When Port Arthur voted, 5,468 were in favour, 5,331 against. At its meeting on January 12, 1959, the Port Arthur City Council decided against further action on the matter.

214. According to the submission of the Fort William-Port Arthur and District Labour Council, "Amalgamation of the two Lakehead Cities is not a new idea. Over the past fifty or so years, there have been no less than three plebiscites on the matter. A study on the votes will show an increasing percentage in favour." Certainly the question is one of very long standing. Amalgamation is far from a new idea to the Lakehead public. The question is whether it would represent a change to their liking.

215. A dramatic step towards amalgamation occurred in 1948 when Mr. Charles W. Cox, completing a score of years as mayor of Port

Arthur ran for the position of mayor of Fort William. Mayor Cox had also served as a Member of the Ontario Legislature from 1934 to 1943 and for a brief period had been a Minister without Portfolio in the Hepburn Government. While the attempt to hold both mayors' chairs simultaneously did not succeed, the vote obtained by Mr. Cox was substantial. The standings were Hubert Badanai 6,232; Charles Cox 4,890; H. Limbrick 631.

216. During the Commissioner's first visit to the Lakehead on Review business, Port Arthur councillors pointed out that a considerable number of organizations had been set up on a Lakehead-wide basis, most of them recently. Upon request, a list of nineteen such organizations was compiled on the spot from their personal recollection. A dozen or more of these had been formed since the last referendum vote was taken on amalgamation. During the course of the Review a couple of additional instances have come to light. In addition to bodies already referred to in this report they include such important organizations as the Thunder Bay United Appeal, the Lakehead Industrial Commission and the Lakehead Council of Women. It seems certain that all the area-wide organizations must have increased the body of opinion prepared to look favourably upon a Lakehead merger.

217. At the hearing, the Fort William-Port Arthur and District Labour Council delegation stated that, when their Labour Council amalgamation took place, people said it would never work and some "went out and did a bucking job" to try to keep it from working. But the merger did stick and, the Review was told, the construction of a new hall, a Lakehead labour centre, was expected soon to round out the Labour Council amalgamation. It does seem probable, therefore, that the creation of new Lakehead organizations charged with important community functions has made some impact upon public opinion. Quite probably a referendum vote today would carry, if not in each city, at least as a vote across both cities.

218. Even so, a referendum vote is not the best means of deciding the Lakehead's future. The governmental choices do not boil down to one simple alternative. If a new Lakehead city should

be formed, over how wide an area should it extend? What should happen to the territories beyond its borders, including possible remnants of partitioned municipalities? How should a new Lakehead city relate to the rest of the District on such services as health or municipal assessing? Should the boundaries for school purposes match the municipal boundaries? Even a document such as this Lakehead Review Report provides a poor foundation for a referendum, unless it is to be regarded as an all or nothing proposition. The force of local opinion must of course be reckoned with and should therefore be tested beforehand if that can be done. But a referendum is not the best way of going about it, in the opinion of this Review Commissioner.

#### EXPERIENCE ELSEWHERE

219. The Review for the Lakehead has been conducted by a Commissioner familiar with annexation or amalgamation issues in all parts of Canada. In some instances, opposition to change has been sufficiently strong to prevent a major adjustment of boundaries. Such would appear to be the case, for example, in both the Vancouver and Victoria areas in British Columbia. But where major change has been accomplished, and here examples could be provided from every part of Canada, public opposition to change appears to fade very quickly. One notable exception in the mid-1930's was the response to the amalgamation of four municipalities to form an enlarged City of Windsor. The more recent enlargement of that same city, however, appears to have gained far readier acceptance. The distinction perhaps has been in the extent of local initiative leading up to each of these developments. What this suggests is that, presuming sufficient local support can be mustered to procure the necessary legislative or administrative action required to bring about a Lakehead merger, public opposition after the event is unlikely to be either sustained or very substantial.

#### THE QUEST FOR A NAME

220. During the course of the Review, the difficulty of finding a suitable name for a new city embracing the bulk of the urban area appeared in the minds of some people to constitute a serious obstacle to merger. Efforts to explore this subject



would seem to suggest that less concern is felt at the prospect of abandoning existing names than at the difficulty of finding a new name that can gain wide and ready acceptance. All the existing names have some historical attachment but none is so strong as to give it pre-eminence over all others. The consensus seems to be that a new city must carry a name that will not favour one pre-existing municipality over another.

221. There are a number of ways in which a name might be picked that would suit the requirements of a new city. For example, both present cities could be recognized either by the name Fort Arthur or Port William. The latter would have greater merit because the area is famous today as a port, not a fort, and it has more attachment to William McGillivray, a founding father, than to a somewhat remote member of the English royal family, Prince Arthur. There is a small place in Scotland with the same name but each of the present names is duplicated by much larger places, Port Arthur in Manchuria and Fort William in Scotland.

222. The name Thunder Bay has its proponents for a Lakehead city. If, however, the District of Thunder Bay is to become a unit for regional government, it would be unfortunate either to transfer the name to the city or to employ the same name for both.

223. There are other names that might be thought of. Either Shuniah or Neebing could be used as a name for the city if it ceased to be the name of the residual suburban area. Or one might suggest Sleeping Giant, or McGillivray. Indeed, a contest to choose a name would doubtless produce

plenty of imaginative candidates from which to make a selection.

224. What must surely be plain to the people of the Canadian Lakehead is that the name Lakehead, which graces the airport and is used increasingly throughout Ontario for weather reports and other such purposes, is steadily gaining ground as the name by which the twin cities are known. The creation of close to a score of community organizations with Lakehead as part of the name further strengthens its position. The word Lakehead, as the name of a city, may be thought to have a certain awkwardness. It is by no means an elegant name, but it has strength and is practical. The longer the question of a Lakehead merger is debated, the more chance a new city has of carrying the name Lakehead. It becomes increasingly difficult to abandon a name that is becoming ever more widely known.

225. When the Township of Toronto became a town, its Council wished to take a new name. With the help of the Municipal Board, a procedure was followed for a referendum vote on the question and the Town of Mississauga emerged. After suitable preparation, a referendum would provide a sound way of settling the name for a new city.

226. The problem of names has much or little importance according to how the community feels about it. The choice of a name for a new city cannot be regarded as a prime responsibility of the present Review. Nor can the lack of an obviously suitable and attractive name be regarded as reason enough to forego a municipal merger in the event that other considerations make such a step desirable.

# Chapter

## 3

### District Findings

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#### INTRODUCTION

1. The prime focus of the Lakehead Local Government Review has been on the urban or metropolitan area centred upon the twin cities of Fort William and Port Arthur. While the terms of reference are sufficiently wide to give authority for a study of local government requirements outside the Lakehead area, the purpose of extending the field of study must be to identify existing or desirable relationships between local government within the Lakehead metropolitan area and throughout the rest of the District of Thunder Bay. Authority also exists for the Review to give some attention to the suitability of the geographic boundaries of the District for services at the local level that are or might be organized on such a broad base, provided the Lakehead is part of their area of jurisdiction or is affected by their operation.

2. In the concluding section of the statement of alternatives for local government in the Lakehead, the structural arrangements for the immediate Lakehead area were emphasized. But the

full statement of alternatives dealt quite specifically with the possibility of establishing either single or multi-function governmental units that would reach out far beyond the Lakehead urban areas, perhaps broadening the extent of local self-government within what are called unorganized territories where settlement is sparse and where, in fact, a limited amount of local government is already to be found. The statement also touched upon the possibility of recommendations for the creation or dissolution, the merger or enlargement of local municipalities throughout the District of Thunder Bay. Finally, it recognized that district-wide service arrangements might be desirable either taking the form of the establishment of a two-level municipal system or the use of special purpose bodies with wider than local jurisdiction.

3. The District of Thunder Bay embraces a huge territory, well over 50,000 square miles. Its land area is approximately one-third greater than all the counties of southern Ontario combined. Within the District of Thunder Bay, less than three per cent of the land area is contained within organized municipalities. But together the twenty

organized municipalities take in more than double the area of the Niagara Peninsula. If the population density, mobility and pattern of settlement were similar to that of southern Ontario, it would be unthinkable to regard the District of Thunder Bay as a potential unit of local government. Yet in the context of present regional government discussions and in relation to the existing territorial scope of special purpose bodies in the north, the District of Thunder Bay has regional government potential despite its formidable size.

## GOVERNMENTAL UNITS

4. According to the 1966 Census, the total population within the District of Thunder Bay was 143,673. Of this number, 132,548 resided within the twenty organized municipalities. A further 2,121 were resident on Indian Reserves while the remaining 9,004 were in territories that were at most partially organized. For certain local government purposes, the Indian Band has the status of a municipality. Not everyone who lives on a Reserve is a member of a Band and some who live off the Reserve are Band members. The Bands probably provide some local government focus for more than 2,000 persons.

5. Among the organized municipalities, the twin cities accounted for 96,548 persons. The full extent of the Lakehead urban area would take in perhaps an additional 8,500 people. If a new Lakehead city should be formed, it ought to include approximately 105,000 people and perhaps more. As a consequence, close to eighty per cent of the total population of the District might be contained within a single municipality. If a new Lakehead city were to be established, it could easily dominate a regional municipality or other local government body exercising jurisdiction throughout the whole of the District.

6. The preponderance of the Lakehead population over the remainder of the Thunder Bay District is not only great but has been increasing. Between 1961 and 1966, the twin cities added more than 6,000 people. The rest of Thunder Bay District dropped 900. A comparison of assessed population figures for the years 1966 and 1967 reveals a very small increase both within the Lakehead and for the remaining organized municipalities. The latter represents an average position;

eight of the eighteen municipalities outside the twin cities actually lost population between the two years.

7. Six of the municipalities in the District of Thunder Bay are improvement districts. While holding this status, their affairs are conducted by three-member boards of trustees appointed in all cases by the Lieutenant-Governor-in-Council. Consequently, these municipalities cannot be described as enjoying local self-government. If one or more trustees from each were to be given representation, *ex officio*, on the council of a district or regional municipality, the Lieutenant-Governor-in-Council, that is, the provincial Cabinet, would be capable of exercising a quite undesirable extent of control.

8. The populations of improvement districts range widely. Taking 1967 assessed population figures, Manitowadge was the largest with 3,269 and Dorion the smallest with 436. Two improvement districts have sufficient population to seek town status. A third, with only slightly less population than needed for town status, could apply for erection as a township. Two others are eligible to apply for village status, while the smallest, Dorion, has a declining population and would have had insufficient numbers to seek any change had it not been for an unusual form of amendment to the Municipal Act in 1967 specifically authorizing Dorion to apply for either village or township status.

9. The populations of the fourteen self-governing municipalities are small except for the twin cities and Shuniah which has received the largest overflow of city population. To the west of the Lakehead, Conmee, Gillies and O'Connor, each contains between three and four hundred persons. Unquestionably their numbers are inadequate for municipal status under mid-twentieth century conditions. The population of two other townships, Longlac and Oliver, is small enough to raise the question of their viability: each is under 1,500. Indeed, of the twenty incorporated municipalities, including improvement districts, only six have populations in excess of 3,000, namely, Fort William, Port Arthur, Shuniah, Neebing, Manitowadge and Geraldton. The creation of a Lakehead city taking in the bulk of the urban area would reduce the number of such municipalities throughout the District of Thunder Bay to three—the



new city, Manitouwadge and Geraldton. All things considered, there is an inadequate base for a two-level municipal system taking a form similar to county government in southern Ontario.

10. A number of parts of the District of Thunder Bay have been organized for school but not for municipal purposes. As of January, 1968, there were thirty-six such school sections, at least ten of which were inactive. Ten of the thirty-six school sections were within the Lakehead area west as far as Shebandowan and three of these were inactive.

11. Outside the organized municipalities, local authorities have been created also for road purposes. Until 1964, the accepted arrangement was through the election by resident landholders of not less than three and not more than five road commissioners with authority under the Statute Labour Act to open road allowances or lay out roads and to require the performance of statute labour or payment in lieu of labour. The maximum commutation rate for statute labour, as of October, 1967, was \$16.14 per day. The Local Roads Boards Act, 1964, administered by the Department of Highways, provides a new statutory basis for local road administration in unorganized territory. It is intended to displace the road commissioners' arrangement under the Statute Labour Act. In 1964 there were twenty-one Statute Labour Boards throughout the District of Thunder Bay. By the end of 1967 thirty-four Local Roads Boards had been established and only one Statute Labour Board remained in existence. Its area of jurisdiction was the geographic Township of Devon immediately west of Pardee along the United States' boundary.

12. The Local Roads Boards are composed of three trustees elected by owners of land in the area to be served by the Board. The elections take place at the annual meeting of the board, of which the landowners must have at least a fortnight's notice. The responsibility of the Local Roads Board is simplified by the fact that its tax revenues are to be turned over to the Minister of Highways and paid into the consolidated revenue fund of the Province from which fund approved expenditures are met. For each dollar of local revenue, a board's account is also credited with two dollars by way of provincial grant. Amounts

are also credited to the board with respect to unoccupied Crown land. The Department of Highways carries out work on the roads for the Local Roads Board as determined by the board and approved by the Minister of Highways. Taken together, the system of elections, the control of road tax revenues and the administration of road construction undertakings is well suited to areas of sparse settlement. The Province facilitates the operation without eliminating local control.

13. In parts of the Thunder Bay District without municipal organization where settlement exists, the Province imposes a provincial land tax at a standard rate not in excess of two per cent of the assessed value of the taxed property. The present rate is 1½ per cent (15 mills) but is related to assessments at approximately 1940 values. The tax is applicable within areas organized locally for school or road purposes. Farm lands and buildings occupied by homesteaders, mining lands subject to the acreage tax under the Mining Act, with certain exceptions, and the holdings of licensees under the Crown Timber Act are exempt. The Department of Lands and Forests administers the provincial land tax. The Province spends more on local services within land tax territories than the revenue yield from the land tax. There is, however, no quid pro quo in each local community and the tax carries with it no right of local self-government.

14. A number of special purpose bodies organized to provide service on a wider than local basis should be noted. A single children's aid society now blankets the entire District. Two health units, centred upon each of the twin cities, cover a substantial proportion of the District. Three management bodies of homes for the aged meet the requirements of all twenty organized municipalities. A regional library board serves all northwestern Ontario. An emergency measures organization operates on behalf of thirteen organized municipalities. Twelve high school districts exist throughout the District of Thunder Bay. Not all extend beyond the boundaries of a single municipality and not all operate schools of their own. Finally, except for Fort William, all the municipalities and all the territories organized for school purposes are now served by a District assessor. These wider than local service arrangements are in addition

to Lakehead-centred bodies for such functions as planning and conservation

15. The Review is aware of other questions of boundaries and status in the Lakehead area. It is known, for example, that the three small townships lying west of the Lakehead, Conmee, O'Connor and Gillies, met with the regional municipal administration officer of the Provincial Department of Municipal Affairs to explore a possible amalgamation. After brief consideration, the matter was dropped. Again, the Review noted a small urban overflow from Kakabeka Falls within the Township of Oliver into the Township of Pailpoonge. The problem is not, however, of immediate significance.

16. To explore questions of boundaries and status of the local municipalities throughout the District of Thunder Bay is not a responsibility of the Review. Consequently, such matters will enter into the Review recommendations only to the extent that they have a direct bearing upon the desirable governmental arrangements for the Lakehead area, including any larger units of local government within which the Lakehead area might be included.

17. Throughout the District of Thunder Bay and beyond, the closest relationships between settlements are dictated by the rail and road patterns and the resulting shipping and travel movements. Atikokan which lies thirty miles west of the Rainy River-Thunder Bay boundary, as the crow flies, is thus much more closely tied to the Lakehead than, for example, Nakina, Longlac or Geraldton all of which are well inside the District boundary. Similarly, the Improvement District of White River, which lies just east of the Thunder Bay boundary in Algoma along the Canadian Pacific Transcontinental Railway and Highway 17, might be regarded as the end of a path of scattered settlement extending eastward from Marathon rather than an extension of settlement from Wawa. Municipal Affairs is one provincial department that treats White River as tied more closely to the west than the east. On the other hand, high school students are accustomed to travelling by bus from White River to a school in Wawa. If, therefore, a regional government should be formed embracing the District of Thunder Bay,

it would be difficult to decide whether or not to include either White River or Atikokan.

## **BROADLY-BASED SERVICES**

18. Within the District of Thunder Bay certain local government services are already sufficiently broadly-based to constitute a nucleus for regional government. The proposal to create large school divisions represents a move in the same direction. A further group of services become fairly obvious candidates for regional jurisdiction in the event that regional government comes under active consideration. The position will be described briefly, service by service, including some reference to the situation elsewhere in northern Ontario.

## **EXISTING LARGER AREA SERVICES**

### *Health*

19. Within the District of Thunder Bay there are two health units, one centred upon Fort William, the other on Port Arthur. The Fort William unit takes in seven municipalities and unorganized territory where settlement exists west to the District boundary. Since 1963, the Mission Reserve Indian Band has been part of the Fort William unit although without representation on its board. Its local share of the cost is met by the Federal Government. The Port Arthur unit includes six municipalities and unorganized territory north of the Lakehead to Lake Nipigon and along the Lake Superior shore to Schreiber. The remaining seven municipalities situated in the northeasterly part of the District provide their own health services through a medical officer of health who may serve part-time. The Lakehead health units are two of eight within northern Ontario which provide coverage to a large proportion of the organized municipalities and the populated unorganized territories. Where unorganized territories are included within a health unit, the cost is met in full by the Province. For unorganized territories lying outside health units, the Province provides a direct service through the Northern Ontario Public Health Service.

20. At the time of the hearings, the two health units were interested in studying the pros and cons of merger. In consequence, the subject was canvassed both with the local health unit delegations to the Review and the Public Health Ad-

ministration Branch of the Ontario Department of Health. Within the Port Arthur unit, opinion appeared to be mixed as to the merits of health unit consolidation. The Fort William unit adopted a more cautious attitude, indicating only its desire to see the matter given full study. Apparently the hope was that the provincial Department would underwrite at least part of the cost. The Department, however, had no doubt as to the desirability of effecting a merger of the two health units and an extension of jurisdiction to include all organized municipalities within the District. Consequently, it saw no need for an elaborate study to prove the point.

21. The Departmental opinion that was given to the Review at the time of the hearings has since become public policy. New legislation and regulations are designed to move as quickly as possible to full time public health services for all organized municipalities, whether furnished locally or through the provincial Department, to include all organized municipalities within health units and to enlarge health units to the extent that twenty-nine health districts will blanket the entire Province other than the Patricia portion of the District of Kenora. Changes in provincial grants have been made for the purpose of encouraging the adoption of the new system. Cities with full time health services will qualify for twenty-five per cent grant support. All municipalities forming parts of health units will earn fifty per cent grant support toward the operating expenses of the unit. Where health units embrace the full extent of the designated health districts the earnings will amount to seventy-five per cent grant support.

22. A notable feature of the new legislation permits an Indian Band to join a health unit if it so chooses and is in turn accepted into the unit. But exclusion of any or all Indian Bands from a health district unit does not prevent the unit from qualifying for the seventy-five per cent grant support. Nor does a health district unit have to embrace all unorganized territory in which settlement exists even though the Province is prepared to pay one hundred per cent of the costs incurred by a unit of providing services into such areas.

23. Stimulated by the attitude of the provincial Department, the two health units have pursued efforts at merger. As this report goes to press, an

agreement to join forces has been reached in principle and final details of the union are being resolved. The extension of the new unit to cover the remaining municipalities of the District will be the next objective.

24. The boards of the two health units are composed of members appointed by the participating municipalities and one appointee of the Lieutenant-Governor-in-Council. Each city appoints two members to its health unit board. On each board two other members represent two municipalities each and the remaining members only one municipality each. The two municipalities sharing a member alternate in making the appointments.

25. Creation of a single health unit for the entire District of Thunder Bay will either require further grouping of municipal representation or resort to a board of fifteen or more members.

#### *Child Welfare*

26. Child welfare services throughout the District of Thunder Bay are entrusted to a Children's Aid Society with jurisdiction throughout the entire District, including the unorganized territories. The present Society came into being effective January 1, 1968. Before this date, two societies had provided coverage of the District. The dividing line was the boundary between the provincial electoral districts of Fort William and Port Arthur prior to the latest re-apportionment. In the beginning, according to one local official, a single children's aid society served the entire District but two societies existed from 1912.

27. The merger of the societies was the work of a joint committee set up in 1965. In the early stages of the Review the committee had been inactive. A past president of the Port Arthur society prepared a submission the object of which was to rekindle interest in the project. Success was obtained with the support of the provincial Department. Two members of the provincial staff visited the Lakehead in August, 1966, on the basis of which a departmental report was produced that was strongly favourable to merger. Much painstaking work was needed, however, to reach the desired end.

28. Children's aid societies are voluntary organizations with required municipal representa-



tion on their boards and statutory welfare responsibilities. Since the Thunder Bay merger, a single children's aid society has jurisdiction throughout each territorial district except in Cochrane where two societies share the territory. Under the new child welfare legislation, a district child welfare budget board representing the organized municipalities other than cities takes responsibility for approval of the society's budget and makes the appointments to the board on behalf of its municipalities. The budget board comprises five members chosen jointly by all the municipalities in the district other than the cities.

### *Homes for the Aged*

29. Within southern Ontario, all organized municipalities must be served by homes for the aged provided individually or jointly by counties, cities and separated towns. In northern Ontario, an individual municipality must have a population in excess of 15,000 to set up its own home for the aged. Smaller municipalities can then join with it in support of a joint home. The majority of all municipalities within a territorial district that neither have a home for the aged nor a share in a joint home *may* establish a district home for the aged and thereupon require the participation of the remaining municipalities.

30. Both cities are senior participants in joint homes for the aged. Port Arthur and Shuniah operate Dawson Court. Fort William and six suburbs to the west share responsibility for Grandview Lodge. Space in the Fort William Sanitarium is used as temporary accommodation to supplement the latter.

31. On June 10, 1965, a majority of the remaining municipalities formed the Thunder Bay District Home for the Aged. The move became a subject of extended controversy. The Board of Management for the District Home has just constructed a home at Fort William and intends providing other accommodation at Nipigon and Geraldton. Following completion of District accommodation at Fort William some of the six suburbs participating with the City of Fort William in Grandview Lodge may transfer to the District operation. It is unlikely, however, that Fort William can thereby avoid constructing an addition to Grandview Lodge. The district home for the

aged, unlike the joint homes, is required to accept and provide for residents of unorganized territory within the district. The Province makes an added capital contribution related to the population in unorganized territories and meets their share of the operating costs.

32. The committees of management for joint homes are entitled to a maximum of three representatives from any one municipality. Thus Fort William has three of nine members on the Grandview Lodge committee while Port Arthur has three out of four on the committee responsible for Dawson Court. The entire board of management for the District home is appointed by the Lieutenant-Governor-in-Council (Cabinet) and comprises five persons in the District, two appointed for three years, two more for two years and the fifth for one year. The chairmanship must change at least every three years.

### *Regional Library System*

33. The first regional library system in Ontario was established in 1958 to serve the territorial districts of Kenora, Rainy River and Thunder Bay. Regional library systems were not promoted in general legislation, however, until 1963. They have been confirmed in the new Public Libraries Act which went into effect on January 1, 1967. Regional library systems are permitted to develop special reference collections, to promote inter-library loans, to provide acquisition, cataloguing, processing and circulating services, to make available films and pictures and to undertake adult education programs.

34. The head office of the Northwestern Regional Library System is in Fort William. There are as yet no branch offices. Differences exist as to the extent of direct services provided through regional library systems. The Northwestern System engages in direct services because there are no larger unit libraries corresponding to county libraries in southern Ontario. The Northwestern System operates three bookmobiles and serves some one hundred schools throughout the region. The latter remains the prime function of the system. In due course, the Northwestern Regional System is expected to embark upon cataloguing and book processing for its member library boards. It is already co-ordinating standards and planning of library services to a limited extent.

35. Under the previous Act, the Northwestern Regional Library Board was composed of two representatives from the twin cities and two appointees of the Minister of Education. The board was entitled to further elected members but took no advantage of that provision. Under the present Act, the public library board in each municipality having a population of 15,000 can appoint one member. Thus there continue to be two members appointed from the twin cities. The Minister of Education is entitled to appoint further members bringing the total to nine. If he chooses not to complete the total, other participating library boards can elect a number of members equal to the number of appointed members from municipalities of 15,000 or more population. For the northwestern region, this means that the twenty library boards outside the twin cities elect two members. The Minister of Education has chosen to appoint three. The election takes place at an annual meeting of the participating library boards. In southern Ontario, each county library board may appoint a member to the regional system. No equivalent arrangement exists for northern Ontario.

#### *Emergency Measures Organization*

36. Emergency Measures Organizations are intended to prepare local governments for co-ordinated effort in time of emergency. The Emergency Measures Act, 1962-63, requires every municipality in a territorial district to formulate a plan for emergency. The provincial and federal levels of government are interested in co-ordinating and stimulating local government effort as well as in the development of emergency plans for their own purposes. Hence, the Province has divided northern Ontario into two zones, one consisting of the three districts of northwestern Ontario and the other the remaining districts of northern Ontario.

37. In law, planning for emergencies is mandatory. In practice, the requirement is not enforced. Rather, the provincial and federal levels of government seek to encourage such preparation by offering substantial grant payments and by providing administrative and program leadership. Throughout the north, the problem of sparse and isolated settlement has impeded emergency measures planning and led to planning in some instances by individual municipalities rather than on a group basis.

38. The first action on emergency measures was taken by each of the twin cities separately in 1950. In 1960, Port Arthur joined with Shuniah and Oliver in an emergency measures organization and Fort William joined with Neebing and Paipoo in a separate organization. On October 1, 1965, the two were merged into the Thunder Bay Area Emergency Measures Organization. The new organization was permitted to use the Zone 7 EMO Building in Fort William as its headquarters. Since 1965, the remaining seven municipalities west of the Lakehead and north as far as Beardmore have joined the Thunder Bay Area EMO.

39. The Thunder Bay organization follows the accepted pattern for emergency measures organizations in consisting of an executive committee of elected representatives from the member municipalities, a planning committee of their appointed officials, a paid co-ordinator and staff. There are two members of council on the executive committee from each of the cities and one representative each from the remaining municipalities. The mayors of the twin cities serve as co-chairmen.

40. Elsewhere in the District of Thunder Bay, Geraldton, Longlac and Nakina have combined to form an emergency measures organization. The Improvement District of Marathon has established an EMO on its own. To the west, a Rainy River-Fort Frances EMO has recently come into being comprising all the organized municipalities in the District of Rainy River other than Atikokan which has its own EMO. To the east, the Algoma-Sault Ste. Marie EMO includes the City of Sault Ste. Marie and eight municipalities strung along the north shore of Lake Huron. Elliot Lake has formed an EMO with the Townships of Ironbridge and Thomson. White River has neither joined an EMO nor formed one of its own. Finally, it is noted that the provincial Emergency Measures Branch doubts the desirability of endeavouring to form a district-wide EMO in Thunder Bay.

#### *Fire Protection-Mutual Aid*

41. Fire protection is a local municipal service that each municipality in the District of Thunder Bay provides for itself with as exceptions Paipoo which contracts for service from the neighbouring Township of Oliver and four further

municipalities that are without municipal fire protection services. The four include three very small municipalities in the Lakehead area, Conmee, Gillies and O'Connor, and the largest Lakehead suburb, Shuniah. The twin cities are staffed entirely with permanent firemen. The rest rely upon volunteers except for one permanent fireman employed by Manitouwadge.

42. It is in the sphere of mutual aid that fire protection might be regarded as a suitable regional service. All fifteen municipalities in the District that have fire departments are members of a mutual aid system. It came into effect first in September, 1966. Each municipality's decision to participate was taken by by-law and municipal councillors attended the organizational meeting. At that meeting, a running assignment card, prepared by the Ontario Fire Marshal's office, was discussed and adopted, setting the sequence for mustering aid. Subsequent action to keep the assignment card system up to date and to direct or review mutual aid operations is the function of the fire chiefs, with or without their officers, through a district association. As the head of the largest permanent force, the Fort William Fire Chief is the District Fire Co-Ordinator.

43. Despite the relative isolation of some municipalities, each is regarded as within range of mutual aid assistance. A further point is that mutual aid on fire protection is particularly important under emergency conditions. The relationship between mutual aid and EMO must therefore be plain.

#### *Assessment*

44. In 1961, provincial legislation authorized the creation by unanimous consent of county assessment departments to serve all the constituent municipalities. Commencing in 1963, the plan could be brought in by majority approval of the member municipalities. The office of district assessor was made equivalent to that of county assessment commissioner in the following year. In brief, such a person became the head of a department serving all parts of the district organized either for municipal or school purposes except the cities and they could choose to participate in the district system.

45. The Minister of Municipal Affairs may appoint a district assessor for any territorial district when in any one year two-thirds of the municipalities other than cities and improvement districts have passed by-laws requesting such action. Improvement districts and school boards in territories unorganized for municipal purposes automatically come under a district assessor, once appointed, although neither has any part in the decision to adopt the arrangement. Within territories unorganized municipally, the provincial Department meets the entire cost of the assessment operation, paying in full for whatever work is involved.

46. The District of Thunder Bay is the latest of six districts to take up the district assessor plan. The Department of Municipal Affairs urged each of the twin cities to join in the district assessor system. Port Arthur agreed to do so in October, 1967; Fort William by a vote of eight to two decided for the present to remain outside the district system. A factor in their decision was the desire to know what this Review might recommend with respect to district services. The former assessment commissioner of the City of Port Arthur became district assessor for Thunder Bay effective January 1, 1968.

47. The Report of the Ontario Committee on Taxation included the following pertinent comment on the district assessor arrangement:

... the district assessor plan operating in northern Ontario makes the District Assessment Department neither fish nor fowl. On the one hand the district assessor is hired and his salary is set by the provincial Department. His assessment budget must be approved by the Minister and is subsidized by the Province. On the other hand, the assessment department is expected to serve a cluster of municipalities and school jurisdictions in unorganized territories. The local municipalities concerned, including any improvement districts, are responsible for the residual financial requirements. They are expected to give approval to and exercise basic control over the district assessor system.<sup>19</sup>

48. The district assessor system has held a particular attraction for small, remote municipalities

<sup>19</sup>Pages 233-4, Volume II, Report of the Ontario Committee on Taxation.



that have had difficulty in engaging personnel capable of carrying out the assessment function up to any reasonable standard. Their interest was quickened by the requirement commencing February 1, 1966, that all municipal assessors be licensed. More than one municipality within the District of Thunder Bay has had difficulty procuring and keeping a licensed assessor. The district assessor plan has also been strenuously promoted by the provincial Department. In the circumstances, the length of time required to obtain the necessary proportion of approvals for Thunder Bay is notable. In 1965 and again in 1966, the number of municipalities that passed by-laws was insufficient.

## SERVICES IN PROSPECT

### *Education*

49. Effective January 1, 1965, the Province of Ontario took a major step towards the enlargement of school jurisdictions throughout the Province. Public school boards became township-wide except with the Minister's consent where the population exceeded ten thousand and two boards could be formed with a daily attendance in excess of three hundred pupils each. The same legislation completed the pattern of district high school jurisdictions. It also provided for consultative committees, compulsory in each county of southern Ontario and voluntary within northern Ontario, whose task was to study and recommend further consolidation of public school jurisdictions.

50. This fresh opportunity for voluntary achievement of a further enlargement of school jurisdictions had not brought results in the Lakehead area or in most other places when, on November 14, 1967, the Prime Minister of Ontario announced his government's intention of consolidating public and secondary schooling throughout the municipally organized portions of the Province under approximately one hundred boards of education. In southern Ontario the new boards were, in general, to conform to existing county boundaries. In northern Ontario, larger units were to be devised on the basis of extensive studies by officials of the provincial Department of Education and the work of the consultative committees.

51. School divisions have now been designated in the territorial districts. Each embraces a geo-

graphic area surrounding one or more existing high schools. Their outer boundaries neither cut across the boundaries of local municipalities nor the boundaries of the territorial districts. A total of thirty school divisions is being proposed, including five within the District of Thunder Bay. In eight of the eleven districts, a number of isolated school sections have been left outside the designated school divisions.

52. The five Thunder Bay school divisions will be headed by directly elected boards of education ranging in number from eighteen downwards, the number proposed for the Lakehead. Municipalities within the areas to be served will participate in the establishment of electoral constituencies for school purposes. The new school divisions will levy their own taxes. Direct election and full financial responsibility represent development along lines recommended by the Ontario Committee on Taxation.

53. The Lakehead School Division, by far the largest within the District of Thunder Bay, will take in all territory organized municipally south and west of Dorion and the further territories as far west as Shebandowan organized only for school purposes. The second school division will centre on Nipigon and Red Rock and include the Improvement District of Dorion and the intervening territory. The third will take in Schreiber, Terrace Bay, Marathon and some adjacent territory. The fourth is to be confined to the Manitouwadge area. The fifth will include Beardmore, Geraldton, Longlac and some adjacent areas. Seventeen public school sections in remote areas of the District, including five that are inactive, will remain outside the school divisions.

54. Within each school division, constituency boundaries for the election of one or more trustees are to be determined by the clerks of the three municipalities containing the greatest amount of provincial equalized residential and farm assessments for public school purposes. In the Lakehead school division this responsibility will therefore devolve upon the clerks of Fort William, Port Arthur and Shuniah.

55. The intention is to introduce legislation to set up the proposed school divisions at the 1968 spring session of the provincial legislature. An

opportunity does exist, therefore, for modification of the proposal as a consequence of public reaction to the plan and debate in the Provincial House. It would also be possible for this Review to propose changes to the detailed recommendations for the Lakehead area and perhaps elsewhere in the District of Thunder Bay.

#### POSSIBLE DISTRICT SERVICES

56. The growth in the number of broadly-based services within the District of Thunder Bay and in other parts of northern Ontario may well be regarded as a transitional development that can and should lead to the establishment of district or regional government. There is every indication, moreover, that the trend will continue, that a number of other services will gravitate towards larger units of administration. In the event that district or regional municipalities do come into being, a variety of local government services, in addition to those already organized on a broader base than the local municipality, will be prime contenders for consolidation at the district level. One such service, general welfare, has been organized on a district basis in some parts of northern Ontario but not in Thunder Bay. For the remaining services, almost all have been proposed for regional jurisdiction within the scheme contained in the Report of the Ontario Committee on Taxation.<sup>20</sup>

##### *General Welfare*

57. For a number of years, the provincial Department has been promoting the consolidation of general welfare functions at the county or district level. Within the districts, the arrangement of course results in the service being placed under an ad hoc authority. District administration of welfare services is established when a majority of the municipalities in the district, other than cities, pass supporting by-laws. A district welfare administration board is then set up to serve all the municipalities within the district, again excepting cities, which have in fact no opportunity of participation. With the permission of the provincial Minister, other municipalities with over 15,000 population may by by-law exempt themselves from the district welfare system. The Province's

regional welfare administrators assume direct responsibility for general welfare throughout all territories unorganized municipally.

58. There are five established welfare administration boards in northern Ontario, three within districts containing cities. A sixth district board is being organized. For the municipalities coming under a district board, this body replaces the child welfare budget board in naming municipal representatives to the C.A.S. board and in approving its budget. Child welfare costs are also shared on the basis of equalized assessments rather than case loads and population.

59. The membership on a district board includes from three to five municipal representatives and two provincial appointees. The municipal representatives must be members of a municipal council when appointed. The appointments are made at a meeting of the municipalities within the welfare district and the term can be for as long as three years.

60. The provincial supervisor of county and district general welfare units described the district system at a meeting of the Thunder Bay District Municipal League in April, 1966. His address stimulated some interest but has brought no definitive action. The Thunder Bay District has been divided in two parts for purposes of the District Welfare Administration Boards Act and Regulations. The line of division is the same as the one that applied until this year for children's aid purposes. If, at this date, interest were shown in district administration, it seems likely that an effort would be made to bring all the municipalities of the District of Thunder Bay other than the twin cities within a single welfare jurisdiction.

##### *Hospital Facilities Planning*

61. The role of hospitals within the Ontario Hospital Services Plan calls for the planning of hospital facilities on a wider than local basis. This requirement has naturally claimed the attention of the Ontario Hospital Services Commission and the Commission is endeavouring to promote hospital planning on a regional basis throughout the Province. The Report of the Ontario Committee on Taxation favoured the inclusion of hospital facilities planning as a responsibility of regional governments.

<sup>20</sup>Chapter 23, Volume II, Report of the Ontario Committee on Taxation.

62. At the Lakehead, a basic and obvious need is to relate the available facilities within each twin city and to establish the priority requirements for the Lakehead location. Throughout the District of Thunder Bay hospital centres exist at six other places—Beardmore, Geraldton, Marathon, Manitouwadge, Nipigon and Terrace Bay. The comparative isolation of one centre from another makes hospital facilities planning a particularly important requirement. Merger of the twin cities would facilitate hospital planning for the Lakehead proper but such planning should in turn be extended to take account of the smaller hospitals elsewhere throughout the District and perhaps throughout other parts of northern Ontario as well. It would seem unrealistic not to seek to use a district or regional government for hospital facilities planning in co-operation with the Ontario Hospital Services Commission.

#### *Ambulance Services*

63. The problem of maintaining adequate ambulance services has intensified greatly in recent years. A service that used to be an adjunct of the funeral business is no longer available from most private operators without public subsidy.

64. At the 1966 convention of the Thunder Bay District Municipal League the delegates gave their support to a resolution petitioning the Province to provide financial assistance to ensure a continuation of ambulance service for rural residents and asking the Province to accept full responsibility for ambulance services required by persons involved in traffic accidents on provincial highways. In the same year, the Province accepted a responsibility to support local ambulance services. Its control functions were expanded in the following year. Private operators of ambulances, to be eligible for subsidy, must now be licensed and must operate a twenty-four hour service with properly trained personnel.

65. Under the new legislation, the City of Port Arthur operates a municipal ambulance service through its fire department whereas the City of Fort William and adjacent suburbs have an agreement with a private operator that makes them eligible also for provincial subsidy. A regional government might link with its responsibility for health unit services and its concern for hospital

facilities planning the responsibility of ensuring that adequate ambulance services are made available where required with the help of the provincial subsidy.

#### *Regional Planning*

66. The Lakehead planning area now serves six municipalities, the twin cities, Neebing, Paipooonge, Shuniah and Oliver, and two further unorganized townships, Ware and Gorham. The Mission Indian Band is brought in in the role of observer. Elsewhere throughout the District of Thunder Bay only three planning areas have been defined. The municipalities of Nipigon and Manitouwadge became planning areas in 1949 and 1955 respectively. In the latter year the Geraldton planning area was established. In addition to the town, it takes in the geographic townships of Ashmore, Errington, Fulford and McQuesten. A more evident need exists for the strengthening of local planning than for the development of planning over one or more broad areas within the District. The District of Thunder Bay and the remainder of northwestern Ontario also seem more concerned with overall economic planning, including the relationship of local government to the fulfillment of the economic potential of the area, than with local community planning.

67. The Department of Municipal Affairs maintains a community planning officer and assistant at the Lakehead as one of two regional locations within northern Ontario. Thus the Province is endeavouring to assist with local community planning throughout organized and unorganized parts of the District of Thunder Bay. Its help must of necessity be limited, however, by the small staff. The relationship of economic development to local government is recognized through the Northwestern Ontario Development Council with a headquarters in Port Arthur. In consequence, the role of a district or regional municipality in planning would have to be carefully defined in order to concentrate upon the most pressing needs and to co-ordinate its efforts with those of other existing agencies.

#### *Policing*

68. The place of local municipalities in policing has been subjected to scrutiny as a consequence of the formation a few years ago of the Ontario



Police Commission. The Commission has been endeavouring to eliminate the small local police forces throughout Ontario either by merger of the police forces serving adjacent municipalities or by transfer of the policing responsibility to the Ontario Provincial Police. In 1965, the Police Act was amended to enable the Lieutenant-Governor-in-Council to exempt any town having a population of less than 2,000 from the responsibility of furnishing its own policing. In 1967, the Act was changed again to raise the minimum figure to 5,000. The Commission is of the opinion that no force smaller than ten men full time can be truly effective. Its next objective, therefore, is to make a ten man force the minimum.

69. Aside from the Lakehead area, no municipality contains sufficient population to meet the projected objective for policing of the Ontario Police Commission. Three municipalities are policed under contract by the Ontario Provincial Police and four others maintain their own small forces. The Ontario Police Commission would like to see all policing aside from the Lakehead area undertaken directly by the Ontario Provincial Police. The boundaries of the District of Thunder Bay happen also to be the boundaries of an administrative district of the Ontario Provincial Police. The alternative would be for a regional government to assume the policing responsibility either for the whole region, including the Lakehead area or for all parts of the region other than the Lakehead area. A district force that failed to include a Lakehead base would be hard to organize and costly to maintain. Coverage of settlements in areas not organized municipally would also be difficult and expensive.

#### *Levying and Collecting Taxes*

70. Provincial grants in support of a district assessment operation cover fifty per cent of the cost of data processing equipment, including tax billing equipment. This grant provision recognizes the potential for mechanization of tax billing procedures in conjunction with the mechanized preparation of the assessment roll and notices.

71. The Ontario Committee on Taxation has also proposed that regional governments levy taxes directly upon property owners for their own requirements and undertake tax collection services

on behalf of all lower tier authorities exercising taxing powers within the region. In addition, a regional municipality could of course carry out the mechanical requirements of tax billing for the new school divisions now proposed within the region.

72. Lakehead University, in its submission, drew attention to the greater potential for tapping new tax sources that a Lakehead municipality would have by comparison with the cluster of municipalities now exercising independent taxing powers throughout the area. Their point would have even greater force when applied to a regional municipality with jurisdiction across the entire District of Thunder Bay.

#### *Borrowing*

73. A regional municipality that is responsible for a significant group of services and that has direct tax levying powers should obviously be accorded capital borrowing rights. It might borrow not only on its own behalf but also on behalf of local municipalities within its territory. If new school divisions were established with direct taxing powers, they might either borrow for themselves, as the Department of Education now proposes, or a district municipality could carry out the borrowing function for them.

74. The borrowing responsibilities exercised by a regional municipality on behalf of local municipalities or school authorities could take one of two forms. As one alternative, the local municipalities and the school boards could be required to obtain Municipal Board approval for their capital requirements and the regional municipality might thereupon undertake the borrowing to meet these requirements. In this event, both the regional municipality and the local municipal or school corporation concerned ought to be jointly and severally liable for the local debt. The regional municipality should then have the right to be heard by the Municipal Board before the local borrowing approval is granted. As the other alternative, the regional municipality might have a senior status equivalent to that now held by the Municipality of Metropolitan Toronto. The constituent local authorities would in this event have to submit their capital requirements to the regional municipality for inclusion in a capital budget

which it would thereupon present to the Ontario Municipal Board for approval.

#### *Other Services*

75. A further group of services that have been recommended for possible regional control by the Ontario Committee on Taxation either were not favoured for northern Ontario or do not seem suitable for regional management to this Review provided some form of Lakehead merger is to take place. These include water supply and sewage treatment services, garbage disposal, arterial roads, parks and recreation and conservation. With respect to the water and sanitation services, it would be unreasonable to extend these services at all widely throughout the District. If joint services should be deemed desirable, for example, by Nipigon and Red Rock, the matter can surely be treated as a local problem of these two municipalities. Similarly, Schreiber and Terrace Bay might find it advantageous to co-operate on some local services. Throughout northern Ontario, the sparsity of settlement would seem to dictate a broader role for the Province with respect to roads, parks and recreation and conservation than in southern Ontario. It does not seem essential, therefore, to consider any of these services for control on a district or similarly broad basis.

#### **SPECIAL PURPOSE BODIES**

76. Local government services are provided to the people within the organized portions of the District of Thunder Bay in two ways—through the local municipalities and, on a wider than local basis, by a group of special purpose bodies each exercising authority over a single function. Such ad hoc authorities administer health, child welfare, care of the aged and regional library services; they provide an emergency measures organization and offer mutual aid on fire protection. A district assessment function operates without any continuing local organization to give it direction. In the immediate future, the school function is expected to be fully separated from municipal control and entrusted for the most part to five boards of education. The functions that are performed outside the direct municipal structure may well be extended further through formation of a district welfare administration board, the addition of tax collection responsibilities to the district assessor's

office, the creation of some local government body to represent the local interest in hospital facilities planning. Further local government functions might also be added to the list including ambulance services, regional planning, policing and capital borrowing.

77. An examination of the existing special purpose bodies providing local government services within the District of Thunder Bay demonstrates a lack of consistency in the size, length of term and method of appointment of the governing bodies and in the ease of local access to a voice in their affairs. The entire body responsible for policy decisions may consist of persons appointed by the Provincial Cabinet; all may be the chosen representatives of the participating local municipalities; all may be paid officials of the municipalities, serving ex-officio; or a body may reflect in its membership a combination of such methods of choice. An ad hoc authority may give service throughout the entire District of Thunder Bay or merely within all or a part of its organized municipalities. The Province may require or encourage service into areas without municipal organization through such a body or it may provide a direct service to such areas itself. The special purpose body may serve in one instance as a barrier, in another as a link, between the twin cities or it may leave them altogether outside its jurisdiction. Lastly, all ad hoc authorities have some degree of remoteness from the local people who are prepared to take an interest in civic affairs. In illustration, a body like the Northwestern Regional Library Board is responsible for such a large territory and dependent upon such a complex arrangement for board appointments as to be completely beyond the grasp of most interested citizens.

78. From the studies carried out by the Review, one point seems clear: broadly-based local government services are bound to meet a major and increasing share of the total local government requirements. Methods may be found to eliminate differences in territorial coverage between services, to remove the inconsistencies in the means of choosing members for local boards. But while such ad hoc authorities exist, the local government each provides is one stage removed from citizen participation and control. Because of the wide

territories over which services must be extended, popular control of broadly-based functions will always be difficult to attain. A regional government would seem, however, to offer the best prospect of bringing this important group of services closer to the people that they serve.

## LOCAL GOVERNMENT FINANCING

79. The submission to the Review by the Port Arthur and District Health Unit included what were called "individual sub-briefs" from four senior officials of the unit. The sub-brief of the secretary-treasurer emphasized that a single health unit with responsibility for the whole urban and rural area might experience a lowering of the quality of the service "as the personnel would be required to serve far too large a case load and too much time would be used in travel". Sparsity of settlement was a recognized obstacle to regional government in a number of the submissions and statements made to the Review. Understandably, a relatively compact urban area like the Lakehead must be somewhat reluctant to join with the much smaller, scattered and, in some instances, quite remote settlements for the provision of one or more local government services. Outlying areas are difficult to staff. Their service requirements are not easily co-ordinated with the more populous core area or maintained at a standard that compares at all closely with the standard that can readily be achieved today at the Lakehead.

80. In discussion with the Port Arthur Health Unit delegation at the hearings, the viewpoint of the Commissioner was expressed publicly in these terms:

I certainly recognize . . . that territorial dispersal imposes a cost. It reduces the reasonable case load of your people, if I can put it in those terms, and it adds mileage (and other) out of pocket travel costs. Now I haven't any doubt in my mind about this problem and the need to resolve it.

81. In a private meeting with the heads of the five sponsoring municipalities, the sparsity cost of district services again came in for extended discussion. It became plain that regional government would meet strenuous resistance if it involved either an increase in the local financial responsi-

bility for public services or a reduction in the extent or quality of services caused by the necessity of spreading services more thinly over the wider region.

82. Within the more remote parts of the Thunder Bay District, the provincial level of government is assuming a considerable financial responsibility for what are normally local government services either by furnishing such services directly at provincial expense, except for the provincial land tax levies, or by reimbursing those local authorities that extend their services into territories that are unorganized municipally.

83. The development of regional government cannot avoid the issue of sparsity and the need for the Province to go on providing services or supporting services financially to a far greater extent than in southern Ontario. It will be necessary, moreover, for the Province to increase its financial contributions, direct or indirect, in order to establish regional government. One reason for seeking regional government is to raise service standards from those now prevailing in many remote territories. Higher standards will mean greater cost: the increase in expenditure will need to be even greater because part of the cost of improved personnel will be swallowed up in travel cost and travel time, including necessary supervision from one or more headquarters locations.

84. Turning to another point, the financial consequences of a Lakehead merger will differ according to the action taken with respect to district or regional government. The establishment of a regional municipality with substantial powers would increase the extent of local government services that are paid for from local taxation on an equalized basis whether or not a Lakehead merger takes place.

## PUBLIC ATTITUDES

85. The Report of the Ontario Committee on Taxation dealt at length with the criteria for regional government. Two of the criteria formulated by the Committee bear repeating:

A governmental region should possess, to a reasonable degree, a combination of historical, geographical, economic and sociological characteristics such that some sense of community



already exists and shows promise of further development subsequent to the creation of the region.

A region should be so structured that diverse interests within its boundaries are reasonably balanced and give promise of remaining so in the foreseeable future.<sup>21</sup>

86. When a comprehensive system of county government was given statutory foundation for southern Ontario, the requirements for similar units of government in northwestern Ontario were entirely lacking. The start of continuing settlement by people of European origin dates back only to 1856 for Port Arthur and to 1863 for Fort William. The Dawson Road was built in the years 1869 and 1870. A railway line to the west was begun in 1874 and finished in 1885. At the turn of the century the total population of the Lakehead was only slightly more than 7,000. But, in the following decade, the number more than quadrupled.

87. The extent of settlement in the District of Thunder Bay was sufficient to permit the formation in 1917 of the Fort William District League, a municipal association with representation both from the organized municipalities and the unorganized townships throughout the Fort William electoral district. The League's founder, Mr. W. A. Dowler (later Judge Dowler) was said to have "felt there was something lacking in this district, something that was supplied in eastern Ontario by the county council, which did not exist here owing to the lack of county organization."<sup>22</sup> The organizational meeting of the League was held in the City Hall, Fort William, on April 18, 1917.

88. At the fall convention in 1936, the Port Arthur District formally joined the League and the name was changed to the Thunder Bay District Municipal League. In March, 1947, representatives from the Thunder Bay District Municipal League, the Rainy River Municipal Association and the Kenora Municipal Association met for the purpose of forming a union of the three leagues. The new body they created was the Northwestern Ontario Municipal Association.

89. That the Thunder Bay District Municipal League has completed more than fifty years of continuous service including more than thirty years with the present territorial coverage demonstrates clearly the present existence of well grounded, common municipal interests throughout the District of Thunder Bay. The success of the Northwestern Ontario Municipal Association reveals even more strongly that people have been able to overcome the difficulties of a comparatively small and widely scattered population in discovering and dealing with mutual local government concerns throughout a very broad territory. The inclusion during the full half century of representatives from settlements in unorganized townships is likewise significant when considering the form that a regional local government might take.

90. A continuing purpose of the Thunder Bay District Municipal League has been to take action on common problems through the presentation of resolutions to the provincial government. The resolutions have dealt both with matters of direct municipal concern and others of particular interest to areas of sparse settlement and only partial municipal organization. Despite its long and honoured place in the life of the District, the League has made no serious effort, to the Review's knowledge, to move from the function of studying and petitioning the Province on problems of the region to a direct interest in regional government.

91. At the 1966 convention, one of the resolutions carried by the delegates sought to procure federal tax incentives for industry locating in northwestern Ontario. This concern over the somewhat insecure economic base for northern settlements provides a bond among municipalities throughout the Thunder Bay District and beyond. And it is on this front that the strongest interest appears to have been shown in regional government.

92. Early in February, 1968, a seminar on government at the local level was held at Quetico Centre sponsored by the Northwestern Ontario Municipal Association, the Ontario Department of Municipal Affairs and the Community Programs Division of the provincial Department of Education. As one reporter put it, "Most of the delegates arrived with . . . only a vague idea of the

<sup>21</sup>Pages 507-8, Volume II, Report of the Ontario Committee on Taxation, 1967.

<sup>22</sup>From the Fortieth Anniversary Convention Program, The Thunder Bay District Municipal League.

meaning of regional government."<sup>23</sup> Notions of what constituted a suitable territory for a regional government ranged all the way from quite small areas like the Nipigon-Red Rock district to the whole of northwestern Ontario. Beyond a concern with common management of some traditional municipal functions, a strong interest was expressed in the potential a regional government might have for stimulation of an on-going study of the area's economic base and the requirements for stabilized population expansion.

93. Interest of municipal and school people throughout northwestern Ontario in regional gov-

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<sup>23</sup>Fort Frances Times and Rainy River Herald, Wednesday, February 14, 1968, by-line news story by V. K. Croxford.

ernment has undoubtedly been growing. When the Lakehead Review began, it is doubtful whether the people of the District of Thunder Bay were ready to consider a blueprint for regional government. Meanwhile, the children's aid societies within the District have accomplished a merger and the health units appear certain to follow suit. The proposal to establish large school divisions is helping to sharpen the community interest in regional government and to give it greater focus. Most people seem ready to accept school divisions that represent a far greater change than earlier proposals from a consultative committee in the Lakehead area of which delegates fought shy for more than two years. The timing for release of a regional government proposal appears opportune.

PART TWO  
THE RECOMMENDATIONS





# Chapter

# 4

## New Units of Government

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### INTRODUCTION

1. I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

This quotation from Thomas Jefferson, the drafter of the Declaration of Independence and the third president of the United States, expresses the outlook that must predominate in the Lakehead and throughout the District of Thunder Bay if governmental change is to follow the release of this report.

2. In a young and virile community, change, not the status quo, is the norm. The purpose of

the Review is to assist the Lakehead community in a planned approach to this expected objective. The Review is not interested in change for change's sake. But, if change is called for, the form it takes will have an important bearing upon the consequences of change.

3. Today in each of the twin cities, the people have a strong, clear-cut relationship with their city governments. Their contact with the more broadly-based services, however, is much less direct. These services are of growing importance, but their pattern is increasingly complex, while the determination of their content is becoming steadily more remote from the local communities. If the Review is to advocate change, the proposed new structure should permit as direct and strong interaction between the people and their local governments as possible. To respect the past and found new institutions upon past experience is one thing; to appease those who oppose change by retaining the status quo as a mere facade behind which the important power to govern is given devious expression is quite another. If the need for change can itself be demonstrated, it is the

complex governmental arrangement whose necessity must be explained and justified before such an alternative can be chosen. On the face of it, local government that the people can readily understand is abundantly to be preferred.

4. In the initial interviews by the Review Commissioner, attention was drawn to other twin cities in our own Province and elsewhere: Kitchener and Waterloo, Minneapolis and St. Paul, Duluth and Superior. Their experiences may well afford lessons for the Lakehead area. Yet it is most important to identify basic differences in their situation from that of Fort William and Port Arthur. Minneapolis and St. Paul, for example, are much larger. Their respective populations in 1965 were estimated at 465,000 and 308,000. Again, Duluth and Superior happen to be on opposite sides of the Minnesota-Wisconsin state line, making merger difficult. This Review has therefore sought to consider experience elsewhere while being careful to determine its precise relevance to the local scene.

5. The growth of metropolitan areas in recent years has created a host of new problems. These are not confined to local government questions, although they include them. In the United States, the division between city and suburb has sometimes supported separations between rich and poor, white and black. In our own country, we have not altogether escaped similar segregations. Today, in the planned development of our metropolitan areas, we cannot afford to build walls instead of bridges, to create or sustain frameworks for tomorrow's ghettos.

6. Another point of importance is that each municipality now in existence is likely to be dedicated in no small degree to its own survival. A strong groundswell of local opinion is needed to secure serious backing for any worthwhile form of change and opposition to forthright measures for reform is only to be expected. The question is not if opposition will arise but whether it can be overcome.

7. Finally, the Review must not be satisfied to become a mere sounding board for local opinion. Speaking to a Lakehead service club, the City Administrator of Fort William included the following quotation from Edmund Burke: "Your re-

presentative owes you not his industry only but his judgment, and he betrays, instead of serving you, if he sacrifices his judgment for your opinion." The words express precisely the Commissioner's responsibility to the Lakehead Local Government Review.

8. The aim in the first part of the report was to present the findings from the Lakehead Local Government Review on the basis of which judgments must be made as to the desirable future governmental arrangements. If the findings have been faithfully recorded with a sufficient degree of detachment, the ability to form opinions as to the desirable changes is by no means confined to the Commissioner.

9. In this second part of the report, the responsibility is to express opinions and to make recommendations that flow from them. It becomes a personal assignment for which the use of the first person is appropriate. While the viewpoints expressed by others have been helpful, the opinions that follow will be entirely those of the Review Commissioner.

## THE METROPOLIS

### FORM AND EXTENT OF MERGER

10. The prime problem I have faced in conducting the Lakehead Review has been to determine the form and extent of merger that should be recommended for the metropolitan area. Although the status quo has found its supporters, it has become increasingly apparent to me that the Lakehead is ready for a worthwhile extent of change although lacking agreement on a precise proposal. Any plan that is put forward seems likely to stir considerable controversy. But the failure to recommend substantial change of any sort would, I believe, touch off an even greater storm of protest.

11. As Commissioner, I have considered

- a) the nature and extent of the existing obstacles to effective provision of local government services at the Lakehead,
- b) the extent of the present departures from equitable financial treatment of taxpayers within the metropolitan area,
- c) the opportunity that would be ushered in by



partial or complete merger of the municipalities forming part of the Lakehead metropolis,

- d) the effect of a metropolitan merger, in whole or in part, upon the Lakehead's relationship for local government purposes to the remainder of the District of Thunder Bay,
- e) the public attitudes to differing forms of change, especially the choices as set out in the Statement of Alternatives distributed by the Review.

12. In each of the twin cities, the growth of urban services has in the main proceeded separately and I recognize that the two cities could continue along their separate ways, for the most part without essential service developments being stifled. There are, however, some notable exceptions. Consolidation of the public transit operations appears to be the most practical, if not the only way of achieving a badly needed improvement in that service. Similarly, the public would find it much more convenient if taxicabs were licensed to pick up fares in any part of the urban area. Again, major road improvements are required to facilitate the growing movement of traffic between the two present cities and to clear congestion from the two central business districts. The Lakehead expressway as now planned will not, in my opinion, meet these objectives in full. Metropolitan merger would at least encourage a more forthright and balanced consideration of the requirements. The long-term development of the two urban areas would also be strengthened and rendered more secure by unification of the water supply and distribution systems and likewise of the sanitary sewage collection and disposal systems. Under common management, integration could be brought about in stages. The proper extent of reliance upon Loch Lomond for water could be established. A plant for secondary sanitary sewage treatment could be built to serve the total area. All these matters are important; yet together they are not of sufficient moment to warrant recommending twin city merger over what I sense to be material opposition, especially when one realizes that the two cities could if they chose overcome these particular problems by effecting some quite limited changes.

13. The present municipal boundaries also frustrate certain service requirements within Neebing

and Shuniah. In Neebing, the urban residential areas have long remained without piped water, despite the strong financial capacity of the municipality. The protracted negotiations and the high unit cost of providing Neebing dwellings with water are a by-product of divided jurisdiction. It is even more important for community water and sewer services to be made available throughout the Jumbo Gardens area of Shuniah. But how can this be accomplished? It seems abundantly clear to me that such a development is not to be expected without municipal change.

14. Shuniah has not a single dollar of industrial assessment and less than a normal share of commercial assessment. There appears little prospect for major improvement while the municipality remains within its present boundaries. The McIntyre portion of Shuniah is sadly lacking in taxable capacity. McGregor and McTavish Townships are much stronger financially, because they contain summer cottage properties, highway commercial, a gas pipeline, a radio transmitter and a ski resort. Yet together they have less than enough lucrative assessment to offset the weakness of McIntyre. I regard it as unreasonable, moreover, to expect these two townships to shoulder a tax deficiency in McIntyre that has resulted from an urban overflow from Port Arthur during a period of inadequate land use control.

15. The position of the Municipality of Neebing presents the sharpest possible contrast. At the hearings, Neebing's clerk-treasurer acknowledged that, when construction of the new sulphite mill and the chemical plant were both complete, his municipality might anticipate an assessment ratio of approximately seventy-five commercial and industrial to twenty-five residential and farm; that is to say, some seventy-five per cent of the taxable assessment would be subject to the commercial mill rate. Add to that the substantial payment in lieu of taxes from the airport properties and the unduly favoured position of Neebing becomes plain. I can think of only one other Ontario Municipality where the position is at all comparable.

16. How can one avoid the obvious conclusion? It is my firm conviction that the taxpayers within the present twin cities should share both the benefit of industry located in Neebing and the problems of substandard development and inade-

quate taxable capacity in McIntyre. I do not see how this can be accomplished without either the pooling of all or most municipal financial operations or a plan of inter-municipal equalization payments. The latter would represent an unheard of method of municipal reform and a clear interference with the autonomy of municipalities remaining in existence.

17. It might be contended that the school merger that is being put through involves sufficient financial pooling to take care of the situation. In fact, the 1966 school levies (the latest year for which complete figures are available) amounted to less than forty-two per cent of the total taxes levied throughout the four municipalities concerned. Furthermore, the complete separation of municipal and school financing that is now in prospect emphasizes the necessity of achieving a satisfactory position in each.

18. To my mind, the Lakehead metropolis has a slow growth problem that is serious and that will yield only to concerted effort by the entire community. Notwithstanding the steadily increasing number of Lakehead organizations and services, continued existence of the two separate cities invites competitive tactics that in my opinion can impede growth and result in a loss to the area of some potential economic development.

19. But, it might be argued, the Lakehead growth prospects are bound to improve because the area has been brought under the recent provincial incentive program that enables new secondary industries to obtain interest-free loans. The other side of that coin is that the Lakehead has still to compete with other parts of northern and eastern Ontario where the same form of help is offered and with yet further Ontario municipalities that have been designated for preferred treatment on plant location by the Federal Government. Without merger, the Lakehead is unlikely to put its best foot forward.

20. While the frustrations of divided jurisdiction are less in the Lakehead than in some other metropolitan or major urban areas, I believe the benefits that could accrue from full merger to be substantial. Easier economic promotion of the area is only one. Here are two cities of nearly 50,000 each, situated side by side. By pooling

their local government operations, both could achieve important benefits of scale. These would take two forms—dollar savings consequent upon an increased volume of operations; opportunities to utilize specialized manpower, machinery and equipment that, on their individual levels of operation, are quite beyond their reach. Indeed, this would seem to be an important reason back of the Department of Education's move to large school divisions.

21. Benefits of scale have application in varying degrees to virtually every local government function. Among city services, parks and recreation, the public libraries, the public works operations, fire protection and policing, should prove especially strong beneficiaries. Advantages would redound also to the administrative departments, clerk's, treasury, tax collection and assessment. Central staff services including personnel, purchasing and stores, property acquisition and management, and equipment maintenance could reach new plateaus of professional competence.

22. A number who appeared at the hearings were interested in a Lakehead federation either as a permanent form of change or as the first step in overcoming determined opposition to amalgamation. I have no wish to be unrealistic in my assessment of this particular problem.

23. The opinion of one noted American writer is relevant: "Metropolitan reform is usually espoused by a thin rank of ineffective 'agitators'—editorial writers, planners, professors, civic association leaders, and others who rarely have the influence to sway public opinion."<sup>24</sup> The proponents of Lakehead reform may indeed be less than fully effective. Be that as it may, their ambitions centre upon full merger not federation. A proposal for federation would, I suggest, be received with little enthusiasm. If it should be brought forward, it would come under attack by what I must regard as some key progressive elements in both cities.

24. Considerable evidence exists to suggest that one important Lakehead requirement, a sound plan of municipal development, is likely to suffer greatly

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<sup>24</sup>Quoted in the Miami Metropolitan Experiment, page 259, by Edward Sofen, from Robert C. Wood, *Suburbia: Its People and Their Politics*.

even under a municipal federation. Can the Lakehead Planning Board prevent Shuniah, while it retains its present identity, from designating important areas within the southeastern section of McIntyre for patently inappropriate industrial or commercial purposes? I, for one, very much doubt it. Can the extent of industrially designated lands within the twin cities be held within reason in relation to anticipated requirements? I do not think so. Can the possible removal of railway trackage from the downtown Fort William area be examined impartially, including its effect upon the future of the two central business districts? The problem is difficult for even a single city. I fear that it becomes impossible for competing municipalities. Can the Lakehead Harbour Commission deal expeditiously with and set sound priorities on future harbour developments involving substantial capital investment? Again, I am not optimistic. To my mind, it is no accident that the reports by consultants prepared for the Commission have yet to become public documents. And, finally, what is the future of waterfront lands that are not taken up with harbour installations or with industrial or commercial uses that warrant a waterfront location? I see uncertainty in this area also.

25. During my conversations with Lakehead people, I was told that the metropolis stands in need of a small development of relatively well-to-do homes in order to encourage the required flow of managerial and professional personnel into the Lakehead community. My concern is that, as twin cities, either two such developments will go forward, or none, and that the market for two seems dubious.

26. In examining the alternative of federation, I quickly acknowledge that in Toronto, Miami and Winnipeg, the three notable federations of the North American continent, this form of change has carried each a giant stride forward. But what is good for Miami is not necessarily right for the Lakehead. Let me illustrate.

27. In 1962 when the Municipal Board heard an application by the City of Windsor for a substantial annexation of suburban territory, it first issued an interim report in which the temporary establishment of a metropolitan federation was recommended for the city and four suburbs. The

Board proposed that the enabling legislation provide for a Municipal Board review at the end of two years and thereafter at specified intervals. But the city opposed these recommendations so strongly that they were never brought into effect. It was feared, for one thing, that a federation conceived as temporary could settle in as the permanent form of change. There was another, more serious objection, however. It was felt that the creation of a new metropolitan government would place a substantial drain upon the city's administrative resources. When the time was reached for full merger the new city would be attempting to construct a single strong administration from civic departments whose individual strength had been dissipated by the temporary transfer of important personnel to a short-lived metropolitan administration. Whether a federation is to be permanent or temporary, it has, in my opinion, one serious disadvantage for the smaller centre. It robs the civic administration of needed strength in depth.

28. The creation of a Lakehead federation would have negative consequences not only locally but in discouraging it from maintaining a place of leadership in the provision of an important group of local government services on a district-wide or similar basis. A Lakehead federation would either require the Lakehead community to turn its back on District service arrangements, including some in which it now participates, or to develop a complex three-level structure sharing responsibility for the total local government operations within the Lakehead community.

29. H. Carl Goldenberg, whose Royal Commission Report on Metropolitan Toronto urged continuation of federation, had presented a Royal Commission Report on Metropolitan Saint John just before taking up the Toronto assignment. The Saint John report recommended amalgamation of the city with the adjacent City of Lancaster and with defined urban areas within the Parish of Simonds to form a single urban municipality. This recommended change has since taken effect. In the report, Mr. Goldenberg drew attention to the contrasts in population among metropolitan Saint John, Toronto, Winnipeg and other places. Compared with the metropolitan population of Saint John, Metropolitan Winnipeg was then about six times as large, and Metropolitan Toronto about



twenty times. The Commissioner went on to observe that, in considering the future of each metropolitan area, one must maintain a sense of proportion.

30. The Lakehead metropolitan population being scarcely more than that of Saint John, I regard the point as equally applicable to both. I know of no instance where federation has been seriously contemplated for a metropolis as small as the Lakehead and, having completed my studies, I cannot regard federation as a valid alternative for it.

### *The City Boundary*

31. The steps of my Lakehead Review have brought me to the firm opinion that a merger of the urban area to form a single city is the recommendation I must make. It becomes necessary next to decide the precise boundary that should be proposed for the new city.

32. Traditionally, a city's boundary was closely drawn: little land that was not already in urban use was contained within such a municipality. It is difficult to find examples of this situation any longer. Urban development has overflowed municipal boundaries to a much greater extent than formerly and annexations or amalgamations are effected on a much larger scale than they used to be. In Ontario today, virtually all our cities contain considerable open land brought in by boundary enlargements effected during the past twenty years. In fact, as this report has already noted, a quite different concept of the city has been given effect through the scale of boundary extensions granted by the Municipal Board to a number of urban centres in this Province. Thus Sault Ste. Marie contains nearly ten times the acreage it did twenty years ago but less than 2½ times the population. Large areas inside its boundary remain without urban servicing or sizable population.

33. My point is this: in setting a boundary line for a Lakehead city, it is not necessary to rule out enclosure of a substantial acreage of sparsely populated territory. I am not, however, suggesting that the determination of the most suitable boundary becomes an unimportant decision or one stripped of the need for deductive reasoning. I have attempted to approach the problem systematically.

34. To begin with, if there is to be a merger, it does seem plain that the bulk of the twin cities, the Jumbo Gardens area from Shuniah and the industrial and adjacent residential areas from the north ward of Neebing Township, that is, the territory north of the Kaministiquia River, should all be included.

35. Along with these areas that either are on urban services already or for which urban servicing is an immediate need, a Lakehead merger, if undertaken, should I believe take in further territory for which urban use is being planned within a reasonable span of years. The new Lakehead Plan, still in draft form, provides the information that is essential to this approach. It shows an area where residential urban development is expected within Neebing north of Highway 17 and another similar area in McIntyre northwest of Port Arthur surrounding the Jumbo Gardens subdivision and embracing a considerable further acreage. Between these two areas, the draft plan proposes light industry and major institutional uses for a strip of land flanking Port Arthur on the west. While I have doubts about the designation of any part of this area for industry, I do not question the expectation that it will be taken up in urban development. Finally, the draft plan makes provision for the infilling of suburban residential development throughout the whole of the north ward of Neebing Township.

36. The Lakehead draft plan offers valuable guidance as to the probable direction and rate of controlled urban expansion. It takes account of the ease of servicing one area compared with another. I am prepared to accept the outer boundary set by the planners as the *minimum* territory for a new city. But I must also look out beyond the line determined for planning purposes.

37. In McIntyre Township, fingers of settlement extend along the main roads westward and northward throughout much of the territory. Most of the dwellings represent an urban overflow of population that remains dependent upon a built-up area for employment. There are market gardens and similar small holdings but the farming population is further out, in Oliver, Paipoonge and Blake Townships. The 1966 population of McIntyre Township was 4,664 of which 954 resided in Jumbo Gardens or its northwesterly extension

to the hydro right-of-way. A line tightly drawn about the dense urban area would leave perhaps 3,300 residents of McIntyre outside the city. It is an area completely without industry or industrial prospects and with no hope of substantial commercial development. Its taxable capacity is below par and will remain so until in the long future it is furnished with urban services.

38. The south ward of Neebing is another area containing some urban overflow and stronger pressures for further urbanization than the westerly and northerly portions of McIntyre. The 1966 population in the south ward of Neebing Township was 772 persons, not counting the institutional population of eighty-five at the Fort William Industrial Farm. Influenced no doubt by the accessibility of the Loch Lomond source, the Industrial Farm is expected to obtain piped water from Fort William. It would make sense to me to provide at the same time for feeder mains to serve some suburban population and I have no doubt that others will be interested in this possibility. The proposed Lakehead expressway will also greatly improve the access of south Neebing to the inner urban area making the area more attractive for suburban living. Besides residential development, the move will sharpen interest in highway commercial, within easy reach of the ski resorts and with the Nor'westers as an impressive backdrop.

39. Both McIntyre and Neebing Townships have had a substantial urban focus to their municipal operations within the broader framework of Shuniah and the Municipality of Neebing. Their people would seem to me to have more interest in looking inward to the metropolis than outward to the adjacent rural and village communities.

40. Two further conditions have strongly influenced my viewpoint as to the most suitable outer boundary—the Lakehead's uncertain growth prospects and the need to maintain adequate land use control in order to prevent substandard conditions developing on the outer fringes of the metropolis.

41. The draft Official Plan for the Lakehead area makes provision for anticipated development over a period that will be less than twenty years by the time of the Plan's adoption. That is long

enough for planning purposes. But a major reshaping of municipal units is less easily accomplished than a fundamental revision of an official plan. I feel an obligation, therefore, to recommend changes that give every promise of bringing stability for longer than twenty years. The importance of this objective justifies, in my opinion, taking in considerably more territory than is planned for urban use by the late 1980's. Furthermore, while the growth rate on which the draft plan is predicated may be realistic today, it falls short of what I regard as a satisfactory growth target for the Lakehead. If the twin city arrangement has proven a material impediment to growth, merger should have the effect of increasing the growth rate. The provincial incentive program should thereupon make the Lakehead a development location of more than average attraction, at least within northern Ontario.

42. Already, I have indicated my lack of confidence in the machinery for planning that now exists at the Lakehead with responsibility split between a joint planning board and local planning boards. I have nothing but praise for the progress of the Lakehead Planning Board as an inter-municipal body. I think it could accomplish very much more, however, as the sole planning agency for a single strong municipality with wide territorial limits.

43. The planning requirements and objectives of a Lakehead city and of rural municipalities adjacent to it are, I believe, considerably different. This viewpoint was also put to me by the Fort William planner at the public hearings. As I see it, the prime reason for bringing so much territory within the jurisdiction of the Lakehead planning area has not been the close coincidence of planning purposes between the outer and inner areas but rather the fear that the outer area will fail to create and maintain adequate planning controls unless forced to do so by the dominant place of the inner area in a joint planning operation. In return for this assurance that development will be controlled to its satisfaction, the inner area assumes most of the cost involved in undertaking planning for the outer areas. Unfortunately, the arrangement must also slow down and water down the furtherance of the planning needs of the metropolis. The intention, in the new structure I

am recommending, is to provide for the two planning requirements separately. In order that a single municipality may be the appropriate instrument for urban planning, with planning powers confined within its own boundaries, I deem it essential that the boundaries of the metropolis be widely drawn.

44. This concern with growth possibilities and assured land use control has caused me to look further at the position of McGregor Township. Within McGregor residential development is largely of two kinds, year-round dwellings strung along or close to Highway 17 and summer cottages along the Lake Superior shore. At present, a tight control is being maintained over the use of cottages by the Municipality of Shuniah. Conversion to year-round occupancy is not authorized and the prohibition is fully enforced. The properties closer to the city, both the "summer camps" as they are called and the year-round dwellings are of lower average value than those further out the highway. The summer camps nearer the city might be thought too close together, particularly in those areas where the C.N.R. runs closest to the lake. The properties are relatively well maintained however — a condition that has been assisted by the ownership of land on which the cottages are built by campers' associations for each of the beaches.

45. Taking a distance of approximately five miles from the city boundary, there were, according to a recent survey for the Review, 416 summer camps along the lakefront and eight more along the highway. There were 103 single family dwellings along the highway and nineteen along the Lake Superior shore. There was also one trailer court for permanent residents with one unit so occupied. Thirteen further commercial properties included four small motels and four grocery and confectionery outlets, three with gasoline pumps.

46. The partitioning of Shuniah that would result from adoption of my recommendations requires a municipality of adequate strength and suitable motivation to continue the pattern of control that Shuniah has for some time held so effectively. The new city is undoubtedly the best choice because the cottagers come from the city and the city would be harmed most by conversions of cottages to year-round use. I shall therefore

include a transfer of territory from McGregor in my boundary recommendation.

47. Recommendations for a Lakehead city which involve the partitioning of two adjacent suburbs cannot be made without taking responsibility for the development of further proposals to give the residual areas an assured future. The responsibility is to put forward a plan under which the residual portions of the partitioned municipalities can function within politically stable and viable units of local government. I shall make recommendations accordingly. The desired objective need not be served, however, solely through the medium of the local municipality. In fact, the recommendations I shall make rely for their acceptability upon the formation of what might be termed a district region with municipal status and local service boards with something less than full municipal status. Thus plans for the outer portions of Shuniah and Neebing will be unfolded in taking up these succeeding proposals.

48. I deem it equally important to recognize the special position of territories proposed for inclusion within a Lakehead city that lack certain urban services and that are expected to remain in this situation. It is necessary to be quite clear about the range and nature of services and the extent of the tax responsibilities in such areas. I turn to this question in the following section of this chapter.

49. Immediately to the south of Fort William lies Indian Reservation No. 52, known as the Mission Reserve. It is occupied by treaty Indians enjoying the protection of the federal government's Indian Act. Efforts are being made at both the federal and provincial levels to extend the benefits of local government to the treaty Indians. That is why, for example, the Indian band has been declared a municipality in Ontario for certain welfare purposes. Yet, as I see it, nothing is to be gained at this point in time by endeavouring to bring any part of the Reserve lands within the new Lakehead municipality. It is enough if both provincial and municipal authorities are alerted to the long-term objective and the lines of communication are kept open.

50. Now I direct the reader's attention to the accompanying map which shows the boundaries



McTAVISH

McGREGOR

GORHAM

OLIVER

McINTYRE

FORT  
ARTHUR

PAIPOONCE

FORT  
WILLIAM

NEEBING

INDIAN  
RESERVE

BLAKE

CROOKS

PARDEE

S U P E R I O R

L A K E

LEGEND

Proposed Lakehead City  
Present Municipal Boundaries



Scale : Miles



PROPOSED LAKEHEAD CITY

DRAWN BY - DEPARTMENT OF MUNICIPAL AFFAIRS  
COMMUNITY PLANNING BRANCH, JANUARY 1968



of a proposed Lakehead city. The designation Lakehead city is not intended to be the city's name: the term is employed merely for identification purposes. Note that the recommended outer boundary would encompass the entire present Cities of Port Arthur and Fort William, the Township of Neebing from the Municipality of Neebing, the Township of McIntyre from the Municipality of Shuniah and a strip of territory from McGregor Township in Shuniah, the precise size and shape of which I shall now explain and describe.

51. In fixing the boundary for McGregor I have endeavoured to satisfy several requirements. The line extends out far enough from the present city boundary to constitute an adequate buffer for control purposes, bearing in mind the limited development prospects for land within the north-east portion of the present City of Port Arthur. The annexed area would end where a break occurs in the twin ribbons of year-round and cottage properties. The municipal park at Wild Goose Bay and the watercourse known as Blind Creek contribute to this result. The park at Wild Goose Bay would be brought within the new city which would thereupon be expected to assume responsibility for its operation. Blind Creek and the small unnamed lake at the headwaters of its east branch provide a natural boundary that is readily identified. To enclose these developments, I have taken a surveyor's line from the present easterly boundary of McIntyre Township sufficiently closely drawn to leave Iksu Park, a contractor's property, the Port Arthur Ski Club, the Thunder Bay Electronics property immediately to the east of it, and the natural gas pipeline outside the city. The annexation would be sufficient to serve two prime purposes: assurance of reasonable services to the cottage and highway properties, and strict land use control over areas where anything else would threaten the city's development.

52. The proposed city boundary line through what is now McGregor Township may be described as follows: Commencing on the west boundary of the Township of McGregor at the boundary point between Mining Locations 27Z and 25Z, then proceeding in an easterly direction along the south boundary of Mining Locations 27Z, 26Z, 24Z and Blocks 17 and 16, Concession A, and continuing as a straight line projection of this line to its intersection with the headwaters of

the east branch of Blind Creek, thence, generally southerly following the course of Blind Creek to the south boundary of the Township at Lake Superior.

53. Accordingly, *I strongly urge that the Cities of Fort William and Port Arthur and adjacent territories from the Municipalities of Shuniah and Neebing be joined to form a single Lakehead city.*

54. Further, *I propose that the city boundary be drawn to enclose the entire Township of Neebing (north and south wards), the entire Township of McIntyre and a strip of land from McGregor Township extending approximately five miles from the present easterly boundary of Port Arthur, as shown on the accompanying map and described in the text of this Report.*

#### **TAX AND SERVICE DIFFERENTIALS**

55. A 1964 amendment to the Municipal Act authorizes the Municipal Board, as part of an annexation or amalgamation order or by subsequent order or orders, to define tax and service differentials, distinguishing fully serviced urban areas from areas receiving only partial servicing. Distinctions may also be made between different areas with partial servicing. The Ontario Committee on Taxation recommended in its Report that authority to create urban service areas be made available to all local municipalities, subject to Municipal Board approval.<sup>25</sup> Whatever the method of effecting a merger of the Lakehead area, I am convinced that provision should be made for the determination of one or more urban service lines by which tax and service differentials are delineated.

56. Adoption of the outer boundary I recommend would bring into the city parts of Neebing, McIntyre and McGregor Townships for which there would be no intention of providing full urban services for perhaps a quarter of a century. As long as this fact is adequately acknowledged in tax terms, the areas lacking full urban services should benefit by inclusion in the city. From the city they would receive policing and fire protection and road construction and maintenance. Their residents would also benefit from city parks,

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<sup>25</sup>Report of the Ontario Committee on Taxation, 1967, Volume II, page 122.



recreation programs and public library services. Some of these areas might obtain street lighting, sidewalks or piped water. Important service differences, whatever they might be, should be fully reflected in tax differentials.

57. The development of equitable tax differentials to reflect accurately major differences in available public services will require the problem to be given careful study. Such a study could, in my view, be a local undertaking which can commence as soon as there is local agreement on the basic issue of full merger. If work on such a plan cannot begin soon enough for a detailed scheme to be adopted on the date of merger, the matter could be left for settlement subsequently by the Municipal Board.

58. Accordingly, *I strongly urge that a proposal for equitable tax and service differentials be made an essential feature of a Lakehead merger.*

#### INTER-MUNICIPAL BODIES

59. It is necessary to make perfectly clear what my intention is with respect to the future of present functions performed on an inter-municipal basis. For a number of such services, of which health and welfare are prime examples, the instrument of control that I favour is a district or regional government. For other bodies, such as the Lakehead Harbour Commission, the merger would have the effect of narrowing the municipal involvement to the one city only.

60. The exercise of the planning function should, in my opinion, be carried out by a single planning body serving merely the city. Like local planning boards in other places, this body would of course have the right to comment upon planning proposals affecting land immediately across the boundary. But there would be no extra-territorial planning jurisdiction of the sort enjoyed by the Metropolitan Toronto Planning Board.

61. Accordingly, *I strongly urge that the new city exercise full municipal planning responsibilities within its boundaries and that it be given no extra-territorial jurisdiction, directly or indirectly.*

62. The Lakehead Region Conservation Authority serves ten municipalities in the Lakehead area including the Improvement District of Dorion. This organization has embarked upon

some useful projects on a modest budget. What form jurisdiction over conservation might take in future is difficult to decide. I doubt that the role of the conservation authority in northern Ontario has been sufficiently defined. For my part, I cannot see conservation as a vital responsibility of a regional government with jurisdiction throughout such a huge territory as the District of Thunder Bay. I hesitate, therefore, to make any proposal that would disturb the current constructive work of the Lakehead Authority.

63. Accordingly, *I suggest that for the present the Lakehead Region Conservation Authority continue to operate within its present boundaries and to serve the existing group of municipalities or the municipalities or other bodies that succeed them.*

64. The other function that is expected to spread across the boundaries of the new city is education, following the formation of the large school divisions. I shall have more to say about this service in the final section of this chapter.

#### CHOICE OF NAME

65. A decision to proceed with a Lakehead merger will require the community to come to grips with a choice of name for the new city. Once there is substantial agreement to proceed, the matter could be put under study. It would be unfortunate either to postpone the effective date of merger merely for lack of a name or to launch a new city under a name that had been hastily chosen. When the Review began, I was urged to make use of the Lakehead Planning Board for research services and other help. I have relied on this body for assistance of all kinds. They have met my requirements and also fully maintained their reputation for impartiality. I think this body might well be entrusted with the job of compiling a list of possible names and of reducing the list to a manageable number for decision by a referendum vote. I recognize that choosing a city's name is hardly a professional planning undertaking. At the same time, I turn to the Lakehead board because of that body's unique respected role in the community.

66. Accordingly, *I suggest that, when sufficient support in principle exists for a Lakehead merger, the Lakehead Planning Board be given the task of*

*selecting possible names for the new city for final decision by public referendum.*

## **THE DISTRICT REGION**

### **AN ILLUSTRATIVE PRESENTATION**

67. The Ontario Committee on Taxation found it necessary to study the potential for regional government throughout Ontario in order to give comprehensive consideration to the tax and revenue requirements at the local level of government. The Committee presented an illustrative plan of regional government covering the entire province. In it, the Committee suggested the use of contract arrangements as the means of making regional type services available to certain municipalities in northern Ontario, mostly in remote locations. I was a member of the Ontario Committee on Taxation and fully supported its excursion into regional government. Let me emphasize, however, that the Committee did not recommend the adoption of its regional blueprint, including defined regions and contract municipalities, but only that the provincial government undertake the detailed studies needed to establish a comprehensive system of regional government within five years.

68. The notion of contract municipalities was put forward by the Tax Committee as a means of overcoming problems of distance, low population density and lack of direct communication routes which could in the extreme be inseparable barriers to regional government. Another consideration that encouraged reliance upon contract arrangements was the difficulty of accommodating certain municipalities in a workable and balanced scheme of representation.

69. In the Tax Committee's illustration, a metropolitan government was proposed for the Lakehead and contract arrangements to bring services to remote parts of the District of Thunder Bay. The Committee acknowledged that its viewpoint on contract arrangements might prove over-cautious upon further study. I have now come to this opinion with respect to the Thunder Bay District. It is perhaps useful to summarize my thinking on this subject.

### **DISTRICT GOVERNMENT**

70. Throughout the District of Thunder Bay,

indeed throughout the whole of northwestern Ontario, municipal associations maintain continuing activities among municipalities. Their success leaves no doubt that a strong sense of community extends throughout this whole territory. Judging by the history of the Thunder Bay District Municipal League the community cohesion required as a basis for district government has existed here for half a century.

71. Until the latest re-appointment, two provincial members represented the entire District of Thunder Bay in the provincial legislature. Now there are two Lakehead constituencies and the rest of the District is the constituency of a single provincial member. Under district government this same territory could be split up into half a dozen or more constituencies. The unity for provincial electoral purposes and the smaller district electoral areas would give promise of an adequate representative relationship.

72. The Tax Committee felt that a region should contain diverse interests in reasonable balance. But this requirement would seem to require special interpretation in the north. The more familiar I become with northwestern Ontario, the more conscious I am that an essential unity of purpose binds communities of quite contrasting sizes together. Growing up in southern Ontario I was much aware of the differences in community habits and outlook then to be found between the farm community and the dwellers in town or city. If any such sharp distinction ever existed in northwestern Ontario I see little remaining evidence of it today. In consequence, I do not feel that small places are automatically threatened by inclusion in a region that also contains a single large metropolis.

73. Mine is not an academic viewpoint only. For one thing, I have attended a good many gatherings of municipal representatives from northwestern Ontario and I have met with and worked with municipal representatives from other northern districts. For another, one would expect this kind of cleavage, if such existed, to show up in the district health and welfare organizations. I have not been made aware of any divisions along such lines.

74. Presuming one is able to devise an acceptable pattern of representation that ensures, on the

one hand, that the outer areas of the district can be heard and, on the other, that they will not have the strength to frustrate the legitimate aims of metropolitan representatives continually, a Thunder Bay District municipality would seem quite workable. Equally important, I am now firmly convinced that the outer portions of the Thunder Bay District would sooner take their chances as full partners in a district government with the Lakehead than rely upon the Province to act as their intermediary in contracting for services from the Lakehead.

75. One further point has been crucial in my decision to recommend district government. Some local government services require much more frequent and intensive surveillance by a governing body than others. I have calculated the frequency of meetings that are required to give adequate attention to the group of services that would be expected to come under regional control if a regional government is established. I begin by noting that a Thunder Bay District municipality would not need to assume responsibility for roads, parks and recreation, water and sewer services and similar demanding undertakings. Next, I must agree with the decision by the provincial Department of Education that the District of Thunder Bay is too large a territory for one area-wide school jurisdiction. The problems of school supervision are too substantial and intensive. Finally, I do believe that a group of what I like to call human betterment services can be managed properly with regular meetings no oftener than once a month provided full use is made of professionals in fields where the role of the professional is surely recognized today—health, public welfare and public libraries. These are the prime contenders for regional government control in the northern districts. They are already “going regional” throughout the north under ad hoc authorities. A district municipality would maintain their regional character while restoring such services to direct policy control by the people of the communities receiving service.

76. I do not propose to present an elaborate justification for the inclusion of each individual service recommended for district government. The subject has probably been canvassed sufficiently in the earlier part of this report. Those who wish

to take the matter further can examine the reasons given in support of a classification of regional services in Chapter 23 of the Report of the Ontario Committee on Taxation. I subscribe fully to what was said there. Among them, the virtue of placing public services under the direct control of elected representatives is paramount.

77. On one particular service, I might say something more. The welfare services within this Province have developed within three separate compartments under quite distinctive forms of management and with quite different approaches to the welfare needs of the people concerned.

78. The children's aid society, a private voluntary organization, has exercised a public responsibility for child welfare dating back into the nineteenth century. The responsibilities of societies have evolved from their early concern to prevent cruelty and neglect and a frequent necessity to place orphaned children in shelters run by the societies to a heavy emphasis upon protection of the child, support of the family and permanent adoption placement of children who cannot be kept in their own homes.

79. Similarly, in the provision for the aged, the present homes for the aged and rest homes represent a more humanitarian outgrowth of the old house of refuge, another institution with roots deep in history. Here too the visiting nursing and homemaker services are proving an invaluable means of giving older people a maximum chance to function in their own homes.

80. General welfare has also gone through a transition from the old-fashioned notion of relief and the use of the relief voucher for food and other necessities to a case work view of welfare that endeavours to get at the causes of extended or chronic unemployment and family breakdown. The modern welfare department is constantly asking: “What happened to this person to make him a drag on society, an inadequate member of a family and no joy to himself?” Welfare now demands the know-how to ascertain what went wrong and to help the person in difficulties to find a new framework for living. Another modern emphasis calls for recognition of the many multi-problem families. In how many instances are health and welfare people from a variety of



agencies working with the same family? How can they co-operate to get at the root of such a family's difficulties?

81. To my mind, the only approach to welfare that is truly worthy of our times seeks to probe and relate all the health or welfare problems encountered by an individual or a family. Such a public welfare service uses professional skills in its whole undertaking, an approach that admittedly has been missing from many of the general welfare service arrangements and from some institutional plans for the care of the aged.

82. The great advantage that I see in district government is an opportunity to adopt a thoroughly balanced, integrated and professional approach to the task of human betterment. The same district council would oversee both health and welfare undertakings. A single welfare department would be responsible alike for the young, the old and the able-bodied who are in difficulties. Its efforts could be co-ordinated with the work of a health department, fulfilling the responsibilities of a district health unit. Both would serve the community directly and would come directly under community control.

83. Accordingly, *I strongly urge that legislation be enacted to set up a district municipality with jurisdiction throughout approximately the area of the present District of Thunder Bay with full and direct responsibility for*

- 1. health, hospital facilities planning and emergency ambulance services,*
- 2. public welfare,*
- 3. a regional library system,*
- 4. emergency measures organizations and mutual aid on fire protection within the District,*
- 5. assessment,*
- 6. tax levying and collection for its own purposes,*
- 7. tax billing on behalf of other local authorities within the District,*
- 8. borrowing for its own purposes,*
- 9. floatation of approved debenture issues on behalf of other local authorities within the District,*

*10. creation of local service boards and provision of enabling services for such bodies,*

*11. facilitation of inter-municipal co-operation within the District,*

*12. periodic review of school division boundaries and assistance to school sections that must remain outside the divisions.*

84. I now provide a word of explanation with respect to recommended District responsibilities where the intention is not already perfectly clear.

85. Throughout the District of Thunder Bay local library services are, of necessity, less strong than in the more densely and heavily populated parts of the Province. For this reason a regional library system should, in my opinion, engage in certain direct services such as the operation of bookmobiles and it should undertake extensive library loan services both to the school and public libraries. If this concept of a regional library system within northern Ontario is accepted, mammoth territorial limits such as have been set for the present northwestern system are surely not justifiable. The change would be further advantageous in permitting the service to be brought under the direct control of an elected body. A regional library system is, in my opinion, another potential avenue of human betterment.

86. Tax billing on behalf of other local authorities within the District would be a purely mechanical service. As such, it can be provided most effectively by the body responsible for assessment. The tax bills would be sent out on the bill heads of the several local authorities concerned and payments would be made to them either through their own offices or those of the district municipality.

87. The responsibility of the district municipality in issuing debentures for other local authorities would be something more than a mechanical aid but considerably short of total control. The various local authorities would obtain approval for long-term borrowing from the Municipal Board, when the district municipality could express its views. The latter body would thereupon issue the required debentures. These would be issued in the name of the district municipality, while the prospectus would show the local authority on whose behalf the

borrowing was being undertaken, the purpose of incurring the debt and so forth. By issuing debt for another local authority, the District would be making itself liable for repayment of the debt. Legislation should therefore provide that both the issuing municipality and the local authority for which the borrowing is done are to be jointly and severally liable for repayment.

88. An explanation of local service boards is given in the next section of the chapter where the reasons for the proposed District powers become plain.

89. Twelve active school jurisdictions remain outside the proposed new school divisions. It would of course be possible to leave the full responsibility for their present functioning and future prospects to the provincial Department of Education to be exercised in large part through its Northwestern Area Superintendent. I regard it as valid, however, to assign some modest responsibility in the sphere of education to the district municipality. From its experience, the district municipality should be particularly well equipped to review the boundaries of school divisions from time to time with the object of recommending enlargement, when feasible, to take in isolated school sections. The district municipality should also be able to offer some informal administrative assistance from a local government source to those school sections that for the present must remain outside the school divisions. Any such assistance should be devised with the help and concurrence of the Area Superintendent.

#### MUNICIPAL JURISDICTION

90. One purpose for creating a district municipality would be to bring an end to the several distinctions that now exist between municipally organized areas and other inhabited territories in the provision of what I have chosen to call the broadly-based services. The district should have the responsibility of extending its services throughout what are now municipally unorganized areas. Consequently, all property in the district would cease to be liable for provincial land tax but would instead be made subject to assessment and taxation for district services. This would mean that, in the district municipality, the special exemptions granted to homesteaders and others

under provincial land tax legislation but not under the ordinary assessment legislation would come to an end. To me, it would seem highly desirable also to make district services available to treaty Indians. A trend in this direction is already evident.

91. Accordingly, *I strongly urge that District service responsibilities extend to territories not now organized for municipal purposes, that the provincial land tax be replaced by assessment under the terms of the Assessment Act and taxation for District purposes and, further, that Indian bands be enabled to obtain District services and District voting privileges if they so elect provided that tax responsibilities are met by them and/or by one or more senior governments on their behalf.*

#### DISTRICT BOUNDARIES

92. The pattern of settlement throughout northern Ontario is such that the best boundaries for regional units of government are difficult to determine. The problem is less acute in northwestern than in northeastern Ontario. In broad terms, the first choice to be made is between a region that takes in the whole of northwestern Ontario, that is, the Districts of Thunder Bay, Rainy River and Kenora or only a part of this vast territory. If less than the whole is to be included, the particular location of the Lakehead metropolis toward the west of the Thunder Bay District dictates coverage of approximately the entire territorial District. The chief problems I have seen relate to Atikokan on the west and White River on the east. After due consideration, I propose that Atikokan be placed with the Rainy River and Kenora Districts in part because the population base for regional government in this area is somewhat slim. I favour bringing White River into the Thunder Bay District because it is geographically more closely related, in my opinion, to settlement to the west than to the east. In the long term, Marathon, Manitouwadge and White River might be linked for certain service purposes. The present situation is complex because high school capacity for White River students is at Wawa. Actually Marathon is about the same distance away, while a site close to the intersection of the road north to Manitouwadge would be considerably closer at hand.

93. The boundaries for a district municipality lie for the most part in uninhabited territory. For this reason, my method of bringing White River into the Thunder Bay region is to take the municipal boundary eastward along the forty-ninth parallel of latitude and southward along the eighty-fifth meridian of longitude to Lake Superior.

94. Accordingly, *I propose that the boundary for the District Municipality of Thunder Bay coincide with the boundary line of the territorial district except on the southeast where the boundary would follow the forty-ninth parallel of latitude eastward and the eighty-fifth meridian of longitude southward to Lake Superior.*

#### THE CHOICE OF NAME

95. In the Report of the Ontario Committee on Taxation, a large governmental unit of the kind that I am proposing was to be known as a district region. The name is intended to indicate the place of such a unit of government within a comprehensive province-wide system of regional government. I accept that as a valid objective. I regard it as preferable, however, not to include the word "region" in the official name of the municipality. It makes the name more cumbersome and it perhaps invites confusion with the Province's economic regions.

96. Accordingly, *I suggest that the new regional municipality be known as the District Municipality of Thunder Bay.*

#### LOCAL SERVICE BOARDS

97. The heavy dependence of northern settlements on resource industries results in scattered settlements of uncertain duration and of insufficient size in many instances to make strong municipalities. To illustrate, my proposal for a Lakehead merger would leave in existence only two other self-governing municipalities with populations in excess of 2,500 and the larger of these is losing population.

98. Within Thunder Bay, several improvement districts would, in my opinion, be advised to seek self-governing status. It is not my responsibility to press them to do so. Other municipalities might benefit through amalgamation—Gillies, O'Connor and Conmee; Nipigon and Red Rock; possibly

even Schreiber and Terrace Bay. I am not expected to deal with these questions. I do, however, have to wrestle with the future of the residual portions of Shuniah and Neebing, and I have also to consider the future of the northern local municipality to the extent that this question affects the life of the Lakehead area. The Lakehead is, after all, linked with its smaller neighbours in a number of municipal service arrangements.

99. It is a struggle to maintain a full-fledged municipal operation with limited population and restricted revenues. Yet a number of the services provided by local municipalities cannot be organized across wide territories in order to obtain a more adequate scale. I am told that research is going on with the object of developing community water and sewer systems that are simple enough in concept to be used by tiny settlements. Again, it is my understanding that a prime obstacle to local self-government for the treaty Indian is the limited population on each reserve.

100. The Baldwin Act of 1849 provided for a form of local government organization that was intended to meet the needs of small settlements. It was called the police village and its success depended upon the backing given to it by the township within which it was situated. Together they shared local government responsibilities for a tiny urban settlement in a rural setting.

101. The police village has been available to northern Ontario but it scarcely took root here. Today only three of the 158 police villages still in existence throughout Ontario are within northern Ontario and none is to be found in northwestern Ontario. To a considerable extent, the urban service area has become the successor of the police village for southern Ontario. In northern Ontario, a different set of conditions call for another adaptation.

102. The Local Roads Board recently devised by the Ontario Department of Highways as the successor to the Road Commissioners under the Statute Labour Act provides a useful lead. The local operation is kept simple by making the Provincial Treasurer the roads board's banker, the Department of Highways its engineer and contractor and by permitting informal elections at an annual meeting. It is my belief that the concept



embodied in the local roads board can be given application to a group of services where a district municipality can provide the needed administrative and professional backing and be reimbursed by the local area for doing so. If given this new and somewhat wider interpretation one minor change should probably be made. Voting rights should be extended to resident tenants as well as to owners. Incidentally, the term "owner" is given a slightly broader definition in the Local Roads Board Act than in common parlance to include tenants of Crown properties.

103. Taking the name local service boards, bodies constituted in the same manner as the present local roads boards could use the district as their banker for all or most purposes, the Department of Highways to design and carry out their road work and a professional planner engaged by the district to assist them in developing needed land use controls. Again, the district government might help them to organize volunteer fire protection. The idea is not to encourage an elaborate array of services under a local service board. The purpose is to keep the operation simple, to provide for some essential needs with the help of a regional municipality that is large enough to be professionally staffed and in close enough contact with these northern settlements to understand them and work for them.

104. To establish a local service board, application would be made to the district municipality. Such a board would be created or its boundaries altered by district by-law. The present local roads boards and boards of road commissioners under the Statute Labour Act would be converted to local service boards. The district municipality would undertake to review their boundaries before passing each required by-law.

105. Accordingly, *I strongly urge that legislation be enacted to enable a district municipality by by-law to create or alter the boundaries of local service boards and to determine the functions of each and to require the district municipality to perform specified administrative and professional services for all such boards; and, further, to require the functions now performed by local roads boards and boards of road commissioners within district municipalities to be taken over by local service boards.*

## THE PLANNING FUNCTION

106. It would, in my opinion, be quite unrealistic and not at all desirable to endeavour to regard the Thunder Bay Municipal District as a planning area. For this reason, I oppose assigning any planning function to the District Municipality on its own behalf. At the same time, my contention is that the District Municipality is vitally interested in the success of local community planning within its borders and that it is better situated to encourage local planning than the Province. To the extent that planning must be made mandatory, I see the position reversed: the Province must set and enforce the requirements.

107. If local service boards are to plan, another authority must maintain the professional staff to meet their needs. I am recommending that the District Municipality do so. I believe also that the same professional staff could furnish service to the smaller municipalities that cannot readily do so for themselves. To ensure that the District Municipality takes on this function, it should be reimbursed for professional planning services to small municipalities and local service boards on a shared basis.

108. Accordingly, *I strongly urge that the Province meet half the cost of professional planning services provided through a District Municipality to local planning jurisdictions serving populations of under ten thousand.*

## SUGGESTIONS FOR NEEBING AND SHUNIAH

109. If a Lakehead merger is effected within the boundaries I have recommended, choices must be faced as to the future local government arrangements for the remainder of Shuniah, that is, the Township of McTavish and a large part of the present Township of McGregor, and for the remainder of Neebing, that is, the Townships of Blake, Crooks and Pardee. I must express my strong opposition to the continuance of these residual portions of Shuniah and of Neebing as independent self-governing municipalities. They do not contain sufficient population, in my opinion, to justify such a course.

110. McGregor and McIntyre might unite with Dorion to form an incorporated township. Their municipal base could be further broadened by

bringing in the Pass Lake portion of the Sibley Peninsula and the Townships of Stirling and Lyon. This means of achieving a sufficiently large population and assessment involves a highly ambitious coverage of territory. Personally, I am more inclined to favour reversion to unincorporated status and the establishment of a local service board with jurisdiction throughout McGregor, McTavish and the Pass Lake portion of Sibley.

111. Accordingly, *I suggest that the Township of McTavish, the portion of McGregor Township remaining outside a Lakehead city and the Pass Lake portion of the Sibley Peninsula come under a local service board.*

112. Turning to the outer townships of Neebing, a similar alternative exists. Blake, Crooks and Pardee might be joined to Paipoonge. They are in fact almost as closely related physically to Paipoonge as to the present Township of Neebing. Alternatively, Blake, Crooks and Pardee might too revert to unorganized status and join in a local service board. Again, the local service board is the alternative I prefer.

113. Accordingly, *I suggest that, upon formation of a new Lakehead city, the Townships of Blake, Crooks and Pardee come under a local service board.*

## SCHOOL UNITS

114. During the course of the Review numerous conversations were held with senior officials of the Department of Education including the Area Superintendent at the Lakehead, the present Deputy Minister and his predecessor, the late Dr. Phimister. Neither in the Province's preparation of its proposed new school divisions nor in the Review's preparation of constituency boundaries for a district municipality were the conversations

between the educational authorities and the Review specific on the matter of boundaries. In the circumstances, the degree of coincidence between the boundaries set for the school divisions and for district council constituencies is quite remarkable.

115. In the Lakehead area, the proposed school division would differ somewhat from the boundaries suggested for the Lakehead city and for adjacent district electoral constituencies. Yet even here, considerable similarity exists. Furthermore, it will in due course be seen that the Department's proposal of fourteen elected trustees within the Lakehead school division coincides with this Review's intention that twelve city aldermen and two District councillors be elected throughout approximately the equivalent territory.

116. It was never my view that it would be practical at this time to establish a single school jurisdiction throughout an area as large as the District of Thunder Bay even for secondary school purposes. Bearing in mind the intended combination of elementary and secondary schools within a common system, the territorial limits set for each new school division strike me as quite large enough. The plan for large school divisions has moreover my full support in principle. I say "in principle" not because of any particular reservations on the matter but because I have not subjected the Department's proposals to full examination.

117. In addition to lending my support to the plan for larger school units, I regard the province's school jurisdiction proposals as an element of strong support for the Lakehead city merger. The announcement of the proposed new school divisions makes a powerful argument for a Lakehead municipal merger and greatly increases the prospect of its realization.





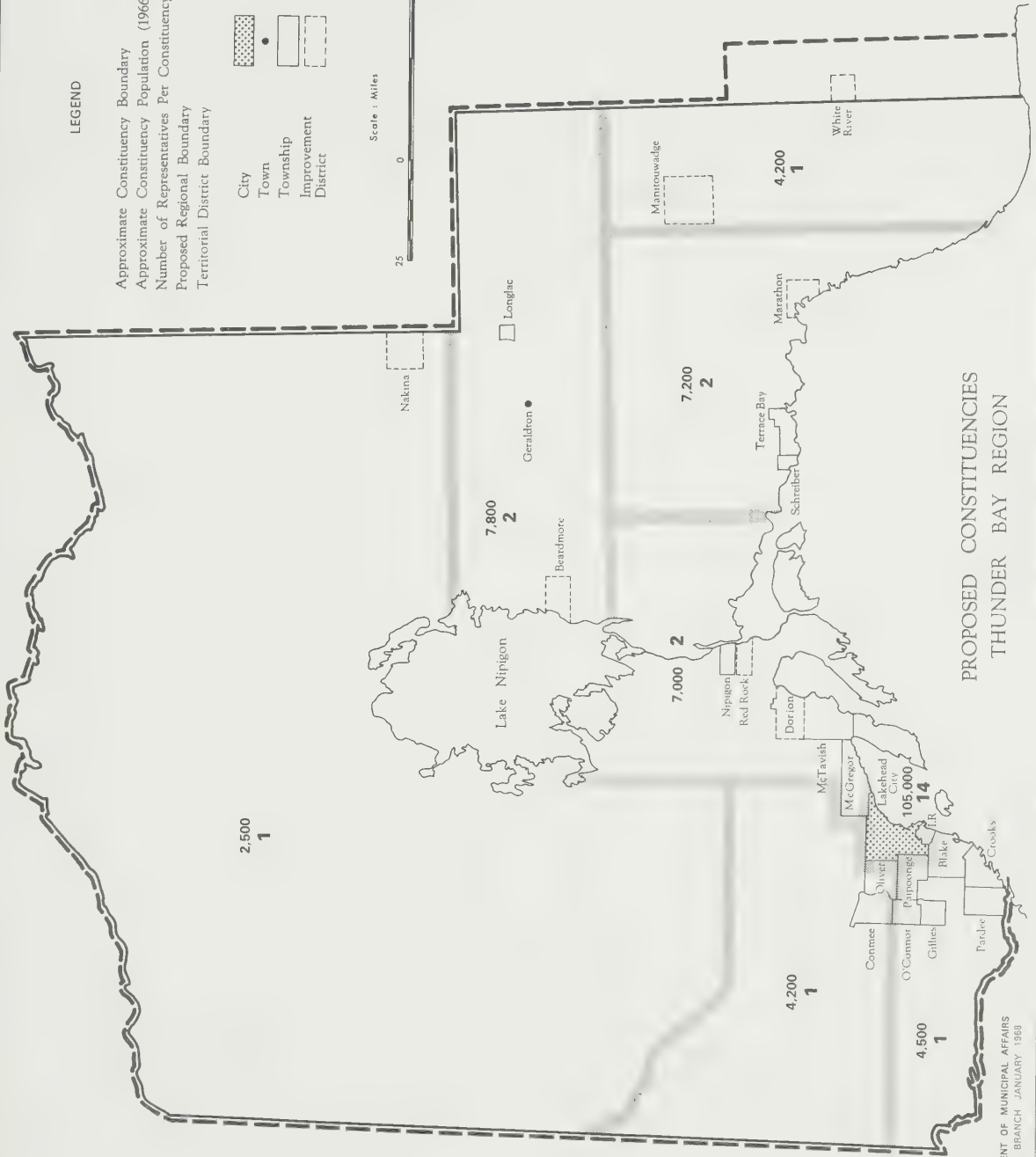


LEGEND

Approximate Constituency Boundary  
Approximate Constituency Population (1966) 0,000  
Number of Representatives Per Constituency 2  
Proposed Regional Boundary  
Territorial District Boundary

City  
Town  
Township  
Improvement  
District

Scale : Miles  
25 0 50



PROPOSED CONSTITUENCIES  
THUNDER BAY REGION



# Chapter

# 5

## New Forms of Organization

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### INTRODUCTION

1. The forms of organization chosen for an enlarged city or for a new regional municipality would not under some circumstances be matters of prime concern to a local government review. The chief responsibility is to propose units of government that constitute adequate frameworks for the provision of local government services. Whether the councils are large or small, elected by general vote or by ward and similar questions might be deemed matters of local choice. The form of representation on the district council is, however, crucial to the success of district government because of the vast territory involved and the great bulk of the population that will be contained within one large city both immediately and in the predictable future. A need exists to establish a satisfactory balance and relationship between representatives from the city and from the rest of the district. To meet this objective requires a specific proposal as to the size and form of the district council. The size of the council has in turn a bearing on the most desirable structuring of the administration. Hence, it becomes necessary to

deal in detail with questions of municipal organization.

### CITY AND DISTRICT COUNCILS

#### THE DISTRICT COUNCIL

2. My study of the Thunder Bay District has led me to the opinion that a District council including ex officio representatives from each local municipal council would not be acceptable. Six of the twenty municipalities are improvement districts where the governing bodies, boards of trustees, are all appointees of the Lieutenant-Governor-in-Council (the Provincial Cabinet). Taking the most recent population data, three of the self-governing municipalities had populations that were each considerably under four hundred. On the other hand, more than 11,000 people resided outside the organized municipalities, approximately 9,000 if we omit the population of the Indian reserves. These facts suggest strongly a system of direct election to a district council from both organized and unorganized territories.

3. The immense area to be covered makes it obviously preferable to elect district councillors



from a number of constituencies into which the district is divided for district electoral purposes. I have adopted this approach and, after a detailed analysis of the physical location of various concentrations of population, I have formed the territories outside the proposed Lakehead city into seven constituencies. In order to avoid partitioning existing municipalities (including improvement districts) I have come upon the creation of four single member constituencies in the outer portions of the District and three double member constituencies in between. All are shown on the accompanying District map. The boundaries are, of course, approximate but the general pattern is the product of much effort and should stand up to critical appraisal.

4. The position of the proposed Lakehead city is not the same as the remainder of the District. Here the population is highly concentrated. Neither present city elects members to its council on a ward basis. The Review was informed that Fort William used to conduct elections by ward but shifted to elections at large and prefers the latter arrangement. I note also that the discussions on this theme at the hearings indicated stronger support for elections at large than by wards. Ward elections would have a limiting effect upon the number of people that could be drawn from any one part of the city: they might thereby eliminate some highly capable candidates. Again, it would be confusing to the public if ward elections were used within the new Lakehead city to choose representatives to the District council, while elections by general vote governed representation on the city council.

5. The headquarters for the District services is almost bound to be at the Lakehead. Here one can most readily assemble the high calibre professional specialists needed to head up a top quality administration. I ask myself, therefore, if it would not be possible for the people elected to a Lakehead city council to serve also as members of the Thunder Bay District Council.

6. One of the disadvantages I have seen in *ex officio* representation from one body to another is that some people serving on a local council must confine their responsibilities to this level while certain of their confreres broaden their experience and raise their stature by serving also

on a second-tier government. To overcome this weakness, the entire city council could serve on both bodies. The Lakehead city would then have one body of representatives responsible for its total local government interests, both city and district. The arrangement would not be without attraction to the outside areas joining with the Lakehead city in district government. The non-city representatives would be able to concentrate upon the district municipality's affairs. Even with the substantial travel time required for attendance at meetings, they would not be overloaded with civic responsibilities by comparison with the city representatives. By the same token, the city representatives, being occupied with the affairs of both city and district governments, would be less likely to seek to dominate district deliberations.

7. Both Port Arthur and Fort William have been accustomed to relatively small councils. My enquiries have indicated no wish to establish a council for an amalgamated city equal in number to all the present municipal councillors elected throughout the equivalent area. I am therefore recommending for the new city a council somewhat larger than that now existing in either present city, although still a manageable number, that is, fourteen in all.

8. The proportioning of representation between the city and the remainder of the district is weighted in the outer area's favour. If it is presumed that the treaty Indians were not initially a part of the district municipality, a Lakehead city containing approximately seventy-four per cent of the total population served would be given just over fifty-eight per cent of the representation. If all the Indians are brought in, the Lakehead's proportion of the population drops to seventy-three per cent. It is my hope that the degree of weighting of representation in favour of the outer areas provides due but not excessive acknowledgement of the much larger areas over which their constituents are spread.

9. One further feature of the district council must surely be obvious. The total area is far too large for election of the head of the district council to that office by general vote. A reasonable alternative is for the elected councillors to meet and choose a chairman from among their own number. This is the course I favour.

10. By way of further explanation let me say that I see no reason why a person outside the Lakehead should not run both for the district council and for his own local municipal council and sit concurrently on the two councils if he can get elected to each.

11. Accordingly, *I propose that there be a district council of twenty-four members comprising the full council of the Lakehead city of fourteen members and ten councillors elected directly from four single member and three double member constituencies as shown on the accompanying map.*

#### THE CITY COUNCIL

12. For the city council, there is merit in ensuring representation from the areas brought in from Neebing and Shuniah. It would seem desirable also to maintain a reasonable balance of representation between the two former cities. There is some disadvantage, however, in making such areas wards for electoral purposes. That approach would perpetuate divisions that now exist and would therefore be undesirable in the long term.

13. There is a means by which the interests of the former municipalities could be given some protection without ignoring the overall interest of the new metropolis as a whole. What I have in mind is a system of nomination by wards and election by general vote. This kind of arrangement is now employed in modified form for elections within the City of Montreal under its latest charter. It has been given earlier application within the Province of New Brunswick and in a number of places in the United States. Let me explain what it would mean.

14. First of all, the system of nomination by wards and election by general vote would expire after each election unless renewed by the municipal council by by-law, with or without modifications, at least six months before the following election. My thought is that ward boundaries, if not the use of wards, ought to be re-appraised every three years. Five persons would be elected to the council from among those nominated in the Fort William ward and five more from among those nominated in the Port Arthur ward. One person would be elected from among those nominated in the McIntyre-McGregor ward and one person from the Neebing ward nominees. Thus

there would be five Fort William ward aldermen, five Port Arthur ward aldermen, one Shuniah ward alderman and one Neebing ward alderman, for a total of twelve.

15. In the election, the voters from any part of the metropolis would be permitted to mark all four ballots, the one with the Port Arthur candidates, the one with the Fort William candidates, the one with the Shuniah candidates, the one with the Neebing candidates. To illustrate what might happen: a candidate from Neebing ward might obtain a majority within his own area but lose the election because voters in other parts of the metropolis gave him less votes than an opposing candidate from Neebing. A candidate would compete against other candidates from his own ward and not against candidates from other wards. If he pressed the interests of his own ward too strongly, however, to the detriment of the city-wide interest, he could be defeated by a lack of electoral support outside his own ward.

16. In favouring one representative each on council from Neebing and from McIntyre-McGregor, I recognize that these areas would thereby be substantially over-represented in population terms. I think the over-representation is warranted, however, in order to ensure that the territories lacking urban services and the areas where most growth will eventually occur have a strong voice in the city's affairs. Continuance of the ward weighting would depend upon renewal of the arrangement by city by-law.

17. To complete the council membership, I advocate election by general vote, following nomination at large, of a mayor and a deputy mayor. Such an arrangement is not uncommon on this continent where considerable importance attaches to the office of mayor. It would be particularly apt in the Lakehead's situation. Furthermore, it would permit the sharing of the heavy burden of executive and ceremonial duties ordinarily associated with the office of mayor.

18. Accordingly, *I propose that the council of the new Lakehead city include a mayor and a deputy mayor each nominated at large and elected by general vote and twelve aldermen, five to be nominated and elected from Fort William, five from Port Arthur, one from McIntyre-McGregor*

*and one from Neebing Township with electors from all parts of the city entitled to mark aldermanic ballots for as many as all four wards and, further, that to continue in effect with or without amendment, the plan of aldermanic representation require renewal by by-law at least six months prior to each election.*

#### **LENGTH OF TERM AND ELECTORATE**

19. Like others who have been commissioned to consider local government requirements, I am disposed in favour of a longer term in office than applies now within the twin cities or the adjacent suburbs. A three-year straight term can be brought in by municipal by-law and it thereupon becomes applicable at the next election. Whatever the length of term chosen, it ought of course to extend both to the district and city councils in view of the substantial overlap in membership.

20. Accordingly, *I suggest that triennial elections apply from the outset to both the city and district councils.*

21. Both Lakehead cities have passed by-laws under the Municipal Franchise Extension Act to allow resident voters to participate in elections along with owners and tenants. The extended franchise should therefore be applicable throughout the new city. It seems unnecessary to include a formal recommendation on this subject.

22. I am favourably inclined also to an extended franchise for district elections. I note the emphasis upon the social services and other so-called "services to persons." Another point is the desirability of giving treaty Indians, for whom property is held in common through the band, a voice in district affairs.

23. Accordingly, *I suggest that consideration be given to adoption of an extended franchise for district elections.*

#### **LOCAL SERVICE BOARDS**

24. The local service board would be composed of a chairman and two board members. I prefer that none be called trustee, both to avoid an association with the use of the term either in improvement districts, where trustees are not elected, or in police villages, which can no longer be formed.

25. As I see it, Indian bands should be permitted to assume the status of local service areas. The method of choosing the board members ought not, however, to conflict with band custom. It would seem sufficient in that event to specify that the board comprise the band chief, as chairman, and two further members chosen in a manner acceptable to the band.

26. Accordingly, *I propose that Indian bands be permitted to form local service boards composed of the chief of the band and two members chosen in a manner acceptable to the band.*

#### **THE CITY ADMINISTRATION**

27. Fort William and Port Arthur follow different systems of administration. Fort William employs a city administrator with powers akin to that of a city manager. Port Arthur maintains what might be called a mayor-council system in the Ontario tradition. A Lakehead merger will require a decision to be made as to the future plan of organization.

28. If the new city followed the dictates of general legislation, however, it would break from both these patterns and come under a board of control arrangement. Subsequently, the council could dispense with the board of control plan by council by-law and Municipal Board assent. The change would be difficult to accomplish, however, because those already elected as controllers would have developed a vested interest in the preservation of their positions of preference.

29. As to the board of control system, I dislike the distinction it draws between controllers and the remaining councillors, including the requirement of a two-thirds majority vote by the council to overrule the board on important matters. A board of control forming part of the structure of the city council would create complications under a plan for interlocking city and district councils, for example, in the choice of the district chairman. The alternative of a mayor and deputy mayor that I advocate will facilitate a smooth transition from the twin cities to a combined city. It will provide ample leadership potential at the council level for a city of the proposed size.

30. With the fourteen member council, headed by a mayor and a deputy mayor, my own prefer-



ence is for the new city to adopt the chief administrator arrangement. In doing so, I think it would be well advised to make certain adjustments that will bring it closer to the American council-manager plan while retaining the Ontario preference for keeping the chief administrator fully dependent upon the council in all matters of major importance.

31. The changes I have in mind are a reduction in the number of special purpose bodies exercising control over particular functions and in the use of committees, other than council in committee of the whole, for the processing of city business.

32. Some functions are exercised in one twin city through a "local board"<sup>26</sup> in the other by the council and the committees of council. The new arrangement in Port Arthur for operation of parks, recreation, community centres, the stadium and the arena brings all these functions directly under council, assisted by co-opted committee members. I include these in my definition of council-controlled functions.

33. Where a choice must be made between differing inter-city practices, I favour placing the service under direct council control. Such an approach would give such status to these functions: parks, recreation, community centres, stadiums and arenas, water, telephone, transit and parking. With the establishment of district government, functions then remaining with local boards would be confined to planning, committee of adjustment, electricity, public libraries. The harbour and exhibition are also outside council's immediate control but are not solely a local government responsibility.

34. To my mind ad hoc authorities are undesirable even for the above remaining functions. They are guaranteed such status, however, by provincial statute and change is therefore difficult to effect.

35. Accordingly, *I suggest that the new Lakehead city employ a city administrator and that, as a minimum, all functions which are now under the direct control of city council in one or other of the Lakehead cities be placed under direct council control in the new city.*

<sup>26</sup>As defined in the Department of Municipal Affairs Act, Section 1(d).

36. The chief administrator system works best, in my opinion, if all or most business can be processed by the whole council meeting either in formal session or in committee of the whole. Where elaborate use is made of committees, numerous items of business will be dealt with at length two or more times. Where the one body must process all business it is likely to resolve most issues once and for all. Generous use of committees means either that the chief administrator will be overburdened with meeting time or will be out of touch with essential business.

37. Under the Municipal Act, meetings of council must be open to the public but committee meetings need not be. English practice is to exclude the public, including representatives of the news media, from all committee meetings. It affords the opportunity for members of council to explore issues and react to them without giving public offense or exposing their lack of background on issues. Where committee meetings are held in private, decisions are still taken in public and council members have ample public opportunity to state their views on issues fully and freely. It is my firm opinion that a council of fourteen can transact its business effectively in committee of the whole if such committee meetings are closed to the public. If the committee meetings are open, I should expect the arrangement to be much less satisfactory.

38. Accordingly, *I suggest that the new city council consider all or most business first in committee of the whole in meetings closed to the public and subsequently in open council.*

39. As part of the Review, extensive discussions took place with provincial officials concerned with particular local government functions. In a written report to the Review, the Ontario Fire Marshal included a request that I recommend that he be invited to undertake a municipal fire protection survey before any new fire department is set up. I not only support this suggestion most enthusiastically but believe it warrants extension to other departments of government.

40. Accordingly, *I propose that before each new department of the city government is established, the appropriate provincial officials be consulted and invited to survey the required changes.*

## THE DISTRICT ADMINISTRATION

41. District government will involve a takeover of service responsibilities now performed for the most part by ad hoc authorities. The district council is larger than the city council. To my mind, the most successful form of district administration would be one in which the business is processed through a number of standing committees concerned with each particular function and assisted by the head of the department concerned. Under this system, it is not necessary that there be a head of council with strong executive authority. My preference therefore is that a chairman be chosen annually, but with the clear understanding that the office is not expected merely to be passed around. A person who serves capably as chairman one year should be regarded as the most likely choice for the succeeding year.

42. Accordingly, *I propose that the chairman of the district council be chosen by the members from among their number following each election and at each succeeding year end and that the retiring chairman be eligible for re-election if still a member of council.*

43. I have doubts as to the wisdom of permitting either the mayor or the deputy mayor of the new Lakehead city to serve as chairman of the district council. For one thing, it might accentuate the majority position of the Lakehead city in the affairs of the district.

44. Accordingly, *I suggest that neither the mayor nor the deputy mayor of the new Lakehead city be eligible for the chairmanship of the district council.*

45. The past success of the health units, the children's aid societies, the homes for the aged and other broadly-based services has been due in

no small measure to the dedicated service of what are sometimes referred to as "citizen" members on the governing bodies. It would be most unfortunate, in my opinion, if upon formation of a district municipality the contribution of such people was suddenly withdrawn.

46. Where a council is already large and relies on the committee system for the processing of its business, it makes eminent good sense to me for such a body to make ample use of co-opted members on committees and sub-committees. I regard only one limitation on their service as necessary. A majority of the voting members of any committee or sub-committee should always be elected councillors.

47. Accordingly, *I propose that the district council be empowered to include co-opted members on all its committees or sub-committees provided that the majority of voting members on each committee or sub-committee are elected councillors.*

48. The headquarters both for the city and district councils should, in my opinion, be at the Lakehead. Yet they need not be in the same building and my recommendation is that they be kept separate. The Fort William City Hall offers more desirable immediate accommodation for the new city administration. The Port Arthur Public Utilities Building could become a satisfactory headquarters for the district administration. As a matter of convenience, an official familiar with district operations might be located in the Fort William City Hall and an official versed in the city's operations in the Port Arthur Public Utilities Building.

49. Accordingly, *I suggest that the Fort William City Hall become the headquarters for the city administration and that the Port Arthur Public Utilities Building contain the headquarters of the district administration.*

# Chapter

# 6

## Steps Toward Implementation

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### INTRODUCTION

1. The Lakehead Review, as the Province has emphasized, has taken the form of a partnership undertaking having the combined sponsorship and financial backing of the provincial government, acting through its Minister of Municipal Affairs, and of a group of co-sponsoring municipalities from the Review area. The Province assumes a senior role in each review, and both as a matter of protocol and for convenience the report of the special commissioner is presented to the Minister of Municipal Affairs. If the practice of earlier reviews is maintained, the sponsoring municipalities and other affected local bodies will receive the report and have an opportunity to react to it at the same time as the provincial government is giving it study.

2. If the local response to the Review is substantial rejection of its proposals, the Province is unlikely to implement the report and will doubtless consider instead formulation of new proposals for the area, based upon the reaction of the local community and the Province's own knowl-

edge of the situation. If the Review is not well received, steps toward implementation are of no great importance. At the same time, an understanding of how the Review recommendations might be implemented may be expected to have some slight bearing upon the local community's ways of reacting when acquainted with the substance of the recommendations. For this reason, the necessary or desirable steps are described in some detail.

3. A Lakehead city could be formed by application to the Municipal Board, under the terms of the Municipal Act, to join the municipalities and part municipalities, as proposed, by annexation or by amalgamation and annexation. If there were sufficient agreement, the application might remain largely uncontested. This procedure, however, would not result in establishment of the special form of organization that I consider essential as the means of bringing the Lakehead city within a regional government exercising jurisdiction throughout the District of Thunder Bay. It would also rule out reliance upon local service boards within a district municipality as the future form of



local government for the residual portions of the partitioned municipalities, Neebing and Shuniah.

4. For these reasons, *I strongly urge that legislation of four kinds be enacted to implement the main recommendations of this Review, namely, an Act establishing a Lakehead city, legislation creating a district municipality, legislation providing for local service boards and legislation to provide more generous road grants in areas within the enlarged city lacking full urban services.*

A further explanation of the legislative requirements as I see them follows.

## NEW LEGISLATION

### CITY ACT

5. The need to establish a new Lakehead city by special Act arises because certain alternatives that are favoured for the Lakehead are not at present readily available under general legislation. I should welcome the further options needed in general legislation to render the special Act establishing an enlarged Lakehead city redundant. General legislation, if suitable in form, is always preferable to special legislation applicable only to one particular place or situation. Consistent with this attitude, I have endeavoured to hold proposals for special legislative provisions to a minimum and to recommend that, insofar as possible, a new Lakehead city be subject to the general legislation of the Province.

6. If the new city is to be created by Act of the legislature rather than by order of the Municipal Board, the Act must spell out the area to be contained within the enlarged city and the future governmental arrangements for the residual portions of Shuniah and Neebing. To accomplish the latter, the Province, having heard the views of the local people concerned, will have to take the responsibility of determining the more acceptable alternative between formation of one or more local service boards for the residual areas of each present municipality and, in the case of Neebing, annexation to the Municipality of Paipoonge or, in the case of Shuniah, creation of a new municipality by merger with Dorion and perhaps other areas.

7. Having determined and made legal provision for the future form of local government organiza-

tion for the residual areas, the Act should provide for a review of the financial consequences of partitioning Neebing and Shuniah and for payment of compensation by the Lakehead city. To my mind, the Municipal Board should be assigned responsibility for doing all things consequent upon the creation of the new city much as it would do in conjunction with an ordinary annexation or amalgamation by order of the Board. The Board's function should not of course be permitted to conflict with or overlap the special provisions of the legislation.

8. It would also require a slight extension of Municipal Board authority to deal as I would wish with the question of possible payment by an annexing municipality to a local municipality from which territory has been taken sufficient to reduce its taxable assessment by fifteen per cent in order to relieve such a municipality of undue burden.<sup>27</sup> My thought is that the special legislation should assign to the Municipal Board responsibility for examining and dealing with the question of undue burden whether the residual areas remain municipalities on their own, become parts of larger municipalities or revert to the status of local service boards.

9. Unless action is taken meanwhile to implement a recommendation on the subject by the Ontario Committee on Taxation<sup>28</sup> provision would have to be made for the establishment of one or more urban service lines as the basis for differentials in taxation and municipal services. Whether the special Act spelled out the initial urban service lines and service and tax differentials, or left the matter for later determination would depend upon the progress that had been made in examining this question locally before the Act to set up a new Lakehead city had been drafted. If a detailed plan is not ready for incorporation into the Act, the matter should, in my opinion, be entrusted to the Municipal Board which exercises this responsibility in connection with amalgamations and annexations.

10. In the absence of direction by special legislation the new Lakehead city would be expected at the outset to institute a board of control. To

<sup>27</sup>Section 14(10)(i), The Municipal Act.

<sup>28</sup>Report of the Ontario Committee on Taxation, 1967, Volume II, pages 120-22.

avoid establishing a board of control and, I should hope, dispensing with it subsequently, the form of organization recommended for the new Lakehead city would have to be provided for in broad outline in the special legislation. The special legislation would have to specify the composition of the council, the method of nomination and elections and the use of a city administrator as the chief administrative officer.

11. Accordingly, *I propose that the Act creating a Lakehead city contain special provisions relating to the territorial limits of the new city, the fate of residual areas from Neebing and Shuniah, including but not limited to possible compensation for undue burden, the form of organization of the new city and suitable provision for an urban service line or lines as the basis of tax and service differentials.*

#### DISTRICT MUNICIPALITY

12. Other legislation would be needed to establish the district municipality of Thunder Bay. The Act to set up the district municipality would have to specify its territorial limits, functions and form of organization. It should make clear that territory within such a district municipality ceases to be subject to the provincial land tax. The legislation should also permit treaty Indians to be brought within the jurisdiction of the district municipality. It should provide specifically for the transfer to the district of the responsibilities of existing ad hoc authorities that the district municipality is intended to replace. The latter will require consideration of the treatment to be accorded the assets and liabilities of the special purpose bodies to be taken over by the district municipality. It is my belief that the district municipality should assume responsibility for all assets and liabilities of such bodies subject to one proviso. If the liabilities of any such body exceed its assets, the Province might undertake to make up the difference. The district ought not to begin any undertaking burdened by a pre-existing financial problem.

13. To my mind, it is essential to ensure that the most desirable form possible of grant legislation is devised by which to offset the cost to a district municipality of serving a vast and sparsely settled territory. This critical requirement war-

rants more intensive study than the Review could expect to undertake. It calls, in my opinion, for the preparation of a report to the provincial Minister of Municipal Affairs by a suitably chosen task force from within the civil service.

14. Two principles should, I believe, be enunciated as part of the terms of reference. All taxable properties within a district municipality should be expected to bear an equitable share of the municipal cost of district services. The taxpayers of the district should not be expected to contribute any part of the extraordinary service costs resulting from the necessity of extending services throughout small scattered settlements by comparison with furnishing services within one central location. Among such extraordinary costs I think of extra service planning and supervision, extra travel cost including time taken up in travel and extra telephone, telegraph, shipping and mailing costs.

15. Accordingly, *I strongly urge that a task force from within the provincial civil service be instructed to report upon the most desirable form of provincial subsidy for a district municipality to offset the financial burden imposed by sparsity of settlement in the provision of district services.*

16. As with the legislation setting up the new city, it would be desirable to hold special legislative provisions creating the district municipality of Thunder Bay to a minimum. Wherever possible, the ordinary legislative enactments should, I think, be made applicable and the arrangements should insofar as possible be contained in general legislation that can become available in due course to other district municipalities that may later be formed.

17. Accordingly, *I propose that legislation creating the District Municipality of Thunder Bay specify its territorial limits, functions, sources of funds, form of organization and the means of transfer of functions from existing agencies and that, insofar as possible, legislation providing for the creation of the Thunder Bay District Municipality be given a form permitting its extension to further district municipalities.*

#### LOCAL SERVICE BOARDS

18. I have proposed local service boards within district municipalities to provide with the help

of the district municipality the desirable minimum of local service requirements throughout small, scattered settlements. Among other things, these local service boards would take the place of local roads boards or commissioners under the Statute Labour Act within a district municipality. The enabling legislation could be contained entirely within the Municipal Act, including the prescribed relationship with the district municipality. The district assessor would maintain records of owners and tenants for tax purposes and provide the information required triennially for district elections. The right to vote at annual meetings of a local service board would, if challenged, require affirmation under oath. The responsibilities of planning boards and councils under the Planning Act would be, like the roads responsibility, a prescribed function of the local service boards. Other functions would be those assigned by the district municipality or undertaken with permission from the district municipality. The Province could of course enlarge the responsibilities it assigns to local service boards.

19. Accordingly, *I propose that the Municipal Act contain provision for local service boards to be set up within district municipalities with the approval by by-law of the district council and with power to perform functions under the surveillance of the district council including responsibility for roads, planning and other functions as assigned by the district council or undertaken with its consent, by by-law.*

#### ROAD GRANTS

20. Grants payable to municipalities under the Highway Improvement Act are defined in large part according to municipal status. When an urban municipality effects a considerable expansion of its boundaries and thereby encompasses substantial acreages that are without full urban services and that are expected to remain so for many years, it is, in my opinion, unjust to treat such territories as part of the urban municipality for

road grant purposes. Hence areas that are supplied neither with community water nor sewer services and that lie outside the municipality's urban service areas should, I believe, qualify for road grants on the same basis as townships, with two exceptions. First, such areas should not be eligible for supplementary assistance on the basis of economic need. Second, none of their roads should at any time be classed as development roads. This necessary change should be applicable generally and can therefore best be effected by amending the Highway Improvement Act.

21. Accordingly, *I strongly urge that the Highway Improvement Act be amended to provide that lands contained within an urban municipality but supplied neither with community water nor sewer services and situated outside all defined urban service areas be treated as township lands for road grant purposes other than eligibility for supplementary assistance or development road designation.*

#### AN END AND A BEGINNING

22. The Lakehead Local Government Review represents a substantial community commitment the purpose of which is to overcome existing local government frustrations.

23. My aim, as Review commissioner, has been to delve fully into the problems, to define issues, to explore acceptable alternatives with Lakehead people, to recommend what I regard as constructive change and to do all I can to encourage its adoption.

24. With the publication of this Report, I terminate my formal assignment. I shall, of course, be happy to add what I can by way of explanation or comment if requested through the proper channels.

25. The prime responsibility for action arising out of the Review is returned now to the people of the Lakehead and the District of Thunder Bay. The difficult work is about to begin.



## APPENDIX A

### TERMS OF REFERENCE FOR THE LAKEHEAD LOCAL GOVERNMENT REVIEW

Extract from a letter signed by the Minister of Municipal Affairs and dated September 28, 1965: ". . . to inquire into and report upon:

(a) the structure, organization and methods of operation and discharge of the functions of the Cities of Fort William and Port Arthur and of the Municipalities of Neebing, Paipoonge and Shuniah and of the local boards of all the said municipalities.

(b) all aspects of the functions and responsibilities of the existing local government institutions within the area embraced by the said municipalities and, in particular, without limiting the generality of the foregoing inter-municipal relations and problems which concern or may concern any two or more of the municipal corporations or local boards having jurisdiction within the said area.

(c) the relationship of the said area to adjacent areas whether land organized municipally as townships, organized for school or road purposes or unorganized territory within which land is subject

to the provincial land tax and in particular, without limiting the generality of the foregoing, any problems which exist with respect to the provision that is made for local government in the said adjacent areas as it bears upon the provision of local government within the designated municipalities.

(d) the anticipated future development of the area or other changes therein which may require reorganization or revision of the existing system of local government in the area or make such reorganization or revision desirable, including but not limited to changes which affect the relationship of local government within the Lakehead area to local government elsewhere within the District of Thunder Bay.

(e) any other related matter affecting the local government structure, organization, methods of operation and discharge of functions within the designated municipalities or the adjacent areas."

# APPENDIX B

## LIST OF SUBMISSIONS

### ORGANIZATIONS

#### *Discussed at the Public Hearings*

City of Fort William—joint submission with the Fort William Planning Board

City of Port Arthur—composite submission including

the Port Arthur Board of Education

the Port Arthur Separate School Board

the Port Arthur Board of Parks Management

Downtown Fort William Retail and Business Association

Evangelism and Social Service Committee, the United Church of Canada

Fort William Board of Park Management—joint submission with the Fort William Civic Recreation Committee

Fort William and District Health Unit

Fort William Hydro Electric Commission

Fort William-Port Arthur and District Labour Council

Group of Citizens of McGregor Township

Lakehead Branch Community Planning Association of Canada

Lakehead Chamber of Commerce

Lakehead Executive Association

Lakehead Planning Board

Lakehead Social Planning Council

Lakehead Teachers' Committee on Municipal Reorganization

Lakehead University

Municipality of Neebing

Municipality of Shuniah

Neebing Planning Board

Port Arthur and District Health Unit

Port Arthur Public Utilities Commission

Slate River Community Hall Board

Township of Paipoonge

#### *Not Discussed at the Hearings*

Lakehead Region Conservation Authority

Township of Oliver

#### *Supplementary, Following the Hearings*

Lakehead Chamber of Commerce

Lakehead Teachers' Committee on Municipal Reorganization

Port Arthur Separate School Board

### INDIVIDUALS

#### *Discussed at the Public Hearings*

Mr. J. B. Chapple\*

Mr. A. N. Clarke\*

Mr. Ed. Gayoski\*

Mr. J. N. F. Gillespie

Mr. W. L. C. Greer

Mr. W. James Griffis

Alderman R. J. McCranor

Mr. Louis L. Peltier, Jr.

Mr. Harold Tett\*

#### *Not Discussed at the Hearings*

Two private submissions

#### *Supplementary, Following the Hearings*

Dr. C. M. Johnston (Chairman, Port Arthur Board of Education)

Mr. Louis L. Peltier, Jr.

\*Oral submission only.

# APPENDIX C

## THE COMMISSIONER'S RECOMMENDATIONS

Recommendations have been classified into three categories, essential, supporting and suggestive. The reasons for adopting this approach are set out in Chapter 1, paragraphs 32 to 34.

The bracketed numbers following each recommendation give the chapter and paragraph where it appears in the text of the report.

### ESSENTIAL RECOMMENDATIONS

#### NEW UNITS OF GOVERNMENT

1. That the Cities of Fort William and Port Arthur and adjacent territories from the Municipalities of Shuniah and Neebing be joined to form a single Lakehead city.  
(4-53)
2. That a proposal for equitable tax and service differentials be made an essential feature of a Lakehead merger.  
(4-58)
3. That the new city exercise full municipal planning responsibilities within its boundaries and that it be given no extra-territorial jurisdiction, directly or indirectly.  
(4-61)
4. That legislation be enacted to set up a district municipality with jurisdiction throughout approximately the area of the present District of Thunder Bay with full and direct responsibility for
  1. health, hospital facilities planning and emergency ambulance services,
  2. public welfare,
  3. a regional library system,
  4. emergency measures organizations and mutual aid on fire protection within the District,
  5. assessment,
  6. tax levying and collection for its own purposes,
  7. tax billing on behalf of other local authorities within the District,
  8. borrowing for its own purposes,
  9. floatation of approved debenture issues on behalf of other local authorities within the District,
  10. creation of local service boards and provision of enabling services for such bodies,
  11. facilitation of inter-municipal co-operation within the District,
  12. periodic review of school division boundaries and assistance to school sections that must remain outside the divisions.  
(4-83)
5. That District service responsibilities extend to territories not now organized for municipal purposes, that the provincial land tax be replaced by assessment under the terms of the Assessment Act and taxation for District purposes and, further, that Indian bands be enabled to obtain District services and District voting privileges if they so elect provided that tax responsibilities are met by them and/or by one or more senior governments on their behalf.  
(4-91)
6. That legislation be enacted to enable a district municipality by by-law to create or alter the boundaries of local service boards and to determine the functions of each and to require the district municipality to perform specified administrative and professional services for all such boards; and, further, to require the



functions now performed by local roads boards and boards of road commissioners within district municipalities to be taken over by local service boards.

(4-105)

7. That the Province meet half the cost of professional planning services provided through a District Municipality to local planning jurisdictions serving populations of under ten thousand.

(4-108)

#### **STEPS TOWARD IMPLEMENTATION**

8. That legislation of four kinds be enacted to implement the main recommendations of this Review, namely, an Act establishing a Lakehead city, legislation creating a district municipality, legislation providing for local service boards and legislation to provide more generous road grants in areas within the enlarged city lacking full urban services.

(6-4)

9. That a task force from within the provincial civil service be instructed to report upon the most desirable form of provincial subsidy for a district municipality to offset the financial burden imposed by sparsity of settlement in the provision of district services.

(6-15)

10. That the Highway Improvement Act be amended to provide that lands contained within an urban municipality but supplied neither with community water nor sewer services and situated outside all defined urban service areas be treated as township lands for road grant purposes other than eligibility for supplementary assistance or development road designation.

(6-21)

#### **SUPPORTING RECOMMENDATIONS**

##### **NEW UNITS OF GOVERNMENT**

11. That the city boundary be drawn to enclose the entire Township of Neebing (north and south wards), the entire

Township of McIntyre and a strip of land from McGregor Township extending approximately five miles from the present easterly boundary of Port Arthur, as shown on the accompanying map and described in the text of this Report.

(4-54)

12. That the boundary for the District Municipality of Thunder Bay coincide with the boundary line of the territorial district except on the southeast where the boundary would follow the forty-ninth parallel of latitude eastward and the eighty-fifth meridian of longitude southward to Lake Superior.

(4-94)

##### **NEW FORMS OF ORGANIZATION**

13. That there be a district council of twenty-four members comprising the full council of the Lakehead city of fourteen members and ten councillors elected directly from four single member and three double member constituencies as shown on the accompanying map.

(5-11)

14. That the council of the new Lakehead city include a mayor and a deputy mayor each nominated at large and elected by general vote and twelve aldermen, five to be nominated and elected from Fort William, five from Port Arthur, one from McIntyre-McGregor and one from Neebing Township with electors from all parts of the city entitled to mark aldermanic ballots for as many as all four wards and, further, that to continue in effect with or without amendment, the plan of aldermanic representation require renewal by by-law at least six months prior to each election.

(5-18)

15. That Indian bands be permitted to form local service boards composed of the chief of the band and two members chosen in a manner acceptable to the band.

(5-26)

16. That before each new department of the city government is established, the appropriate provincial officials be consulted and invited to survey the required changes.

(5-40)

17. That the chairman of the district council be chosen by the members from among their number following each election and at each succeeding year end and that the retiring chairman be eligible for re-election if still a member of council.

(5-42)

18. That the district council be empowered to include co-opted members on all its committees or sub-committees provided that the majority of voting members on each committee or sub-committee are elected councillors.

(5-47)

#### **STEPS TOWARD IMPLEMENTATION**

19. That the Act creating a Lakehead city contain special provisions relating to the territorial limits of the new city, the fate of residual areas from Neebing and Shuniah, including but not limited to possible compensation for undue burden, the form of organization of the new city and suitable provision for an urban service line or lines as the basis of tax and service differentials.

(6-11)

20. That legislation creating the District Municipality of Thunder Bay specify its territorial limits, functions, sources of funds, form of organization and the means of transfer of functions from existing agencies and that, insofar as possible, legislation providing for the creation of the Thunder Bay District Municipality be given a form permitting its extension to further district municipalities.

(6-17)

21. That the Municipal Act contain provision for local service boards to be set up within district municipalities with the

approval by by-law of the district council and with power to perform functions under the surveillance of the district council including responsibility for roads, planning and other functions as assigned by the district council or undertaken with its consent, by by-law.

(6-19)

#### **FURTHER SUGGESTIONS**

##### **NEW UNITS OF GOVERNMENT**

22. That for the present the Lakehead Region Conservation Authority continue to operate within its present boundaries and to serve the existing group of municipalities or the municipalities or other bodies that succeed them.

(4-63)

23. That, when sufficient support in principal exists for a Lakehead merger, the Lakehead Planning Board be given the task of selecting possible names for the new city for final decision by public referendum.

(4-66)

24. That the new regional municipality be known as the District Municipality of Thunder Bay.

(4-96)

25. That the Township of McTavish, the portion of McGregor Township remaining outside a Lakehead city and the Pass Lake portion of the Sibley Peninsula come under a local service board.

(4-111)

26. That, upon formation of a new Lakehead city, the Townships of Blake, Crooks and Pardee come under a local service board.

(4-113)

##### **NEW FORMS OF ORGANIZATION**

27. That triennial elections apply from the outset to both the city and district councils.

(5-20)

28. That consideration be given to adoption of an extended franchise for district elections.

(5-23)

29. That the new Lakehead city employ a city administrator and that, as a minimum, all functions which are now under the direct control of city council in one or other of the Lakehead cities be placed under direct council control in the new city.

(5-35)

30. That the new city council consider all or most business first in committee of the

whole in meetings closed to the public and subsequently in open council.

(5-38)

31. That neither the mayor nor the deputy mayor of the new Lakehead city be eligible for the chairmanship of the district council.

(5-44)

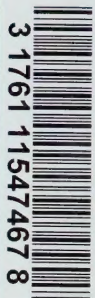
32. That the Fort William City Hall become the headquarters for the city administration and that the Port Arthur Public Utilities Building contain the headquarters of the district administration.

(5-49)









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